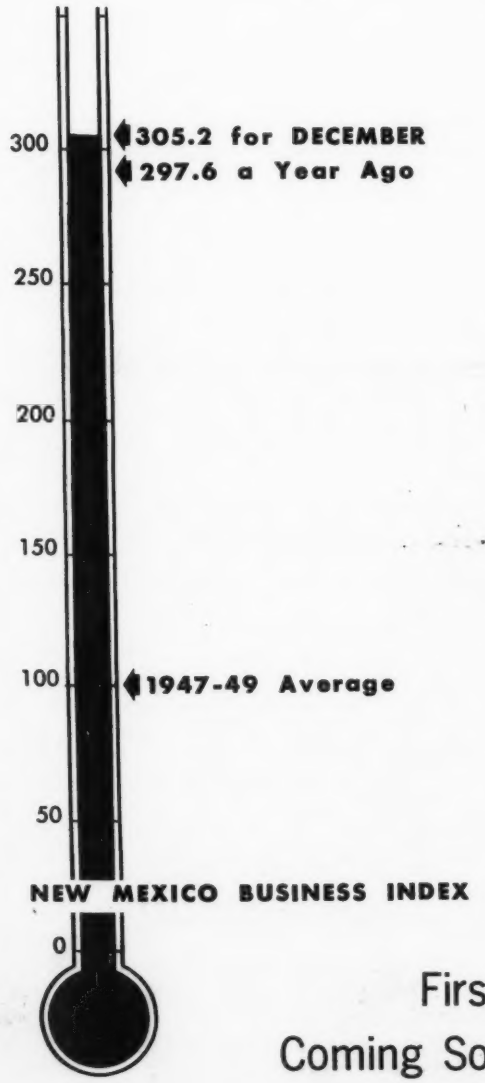
FEBRUARY 1960
Section One

New Mexico BUSINESS



Business showed a smaller gain from November to December than in any corresponding period of the 1950 decade, except December 1953, which ushered in the 1954 recession, despite the fact that the Index of Business Activity reached its all-time high. The small increase in the Index, however, did not reflect an apparent decrease in retail sales, the figures for which could not be included in the calculation of the Index because the reported figures obviously do not include substantial sales volumes from certain counties.

Thus, if it had been possible to incorporate the drop in retail sales (which apparently occurred even after allowance for omissions in reporting), the December Index would be several points lower than the November Index, and December 1959 would enjoy the doubtful distinction of being the only postwar December in which business activity declined in New Mexico.

The inference from the incomplete reports that there was a decline in retail sales is borne out by the poor showing made by other measures of business activity. Nonagricultural wage employment showed almost no gain in December, although it typically rises by

(Continued on back page)

First Report on Our SBA Project
Coming Soon--THE ANNUAL SUMMARY ISSUE

Business Activity in New Mexico

	December 1959	Year Earlier December 1958	Per Cent Change December 1959 from Nov. 1959	Per Cent Change December 1959 from Dec. 1958	INDEX December 1959 (Average Month 1947-49 = 100)
Index of Business Activity (1947-49 = 100)	305.2	297.6	+ 5.1	+ 2.6	305.2
Sales data: Not available. See March 1959 issue of NEW MEXICO BUSINESS					
*Life Insurance Sales (1,000s)	$ 31,355	$ 27,064	+ 38.7	+ 15.9	894.1
*Bank Debits, 36 banks (1,000s)	529,457	529,443	+ 2.4	0.0	325.7[a]
Bank Loans and Discounts, 36 banks (1,000s)	56,521	52,966	+ 9.5	+ 6.7	330.4[a]
Demand Deposits, 36 banks (1,000s)	367,425	363,678	+ 0.3	+ 1.0	193.9[a]
Time Deposits, 36 banks (1,000s)	130,681	116,216	+ 0.5	+ 12.4	365.0[a]
Business Failure Liabilities (1,000s)[b]	28	196	- 1.7	- 85.6	98.7
Wage Workers in Nonagricultural Establishments	231,400	229,200	+ 0.4	+ 1.0	175.7
in Mining	19,400	19,400	- 0.5	0.0	155.6
in Contract Construction	18,300	23,700	- 0.5	- 22.8	144.9
*in Manufacturing	16,600	16,200	- 1.2	+ 2.5	179.8
in Transportation and Utilities	20,800	20,300	- 1.0	+ 2.5	136.8
in Trade	50,900	49,300	+ 3.0	+ 3.2	175.5
in Finance, Insurance, and Real Estate	8,700	8,300	+ 2.4	+ 4.8	300.0
in Services and Miscellaneous	34,700	32,100	- 1.4	+ 8.1	159.4
in Government	62,000	59,900	+ 0.6	+ 3.5	217.3
Number of Insured Unemployed	5,957	4,068	+ 22.5	+ 46.4	--
Rate of Unemployment (per cent of labor force)	3.14	2.16	+ 21.2	+ 45.4	202.4
Construction Contracts Awarded (value in 1,000s)	$ 24,716	$ 16,507	+ 47.4	+ 49.7	--
Residential (value in 1,000s)	$ 5,966	$ 8,405	- 17.8	- 29.0	--
Number of Permits	468	743	- 18.8	- 37.0	--
Floor Area (1,000 sq ft)	569	796	- 17.4	- 28.5	--
Nonresidential (value in 1,000s)	$ 11,444	$ 3,314	+154.9	+245.3	--
Floor Area (1,000 sq ft)	811	290	+103.8	+179.7	--
Heavy Engineering (value in 1,000s)	$ 7,306	$ 4,788	+ 45.6	+ 52.6	--
*Petroleum Production (1,000s of bbls)	8,872	8,543	+ 3.6	+ 3.8	233.9
Natural Gas Production (millions of cu ft)	72,398	68,934	+ 8.4	+ 5.0	450.1
*Electric Power Production (1,000s of kwhs)	282,597	260,927	+ 8.1	+ 8.3	320.3
*Index of Total Metallics Production (1947-49 = 100)	17.2	69.2	+ 5.4	- 75.1	17.2
Mine Production - Copper (1,000s of lbs)	300	11,529	+ 20.0	- 97.4	2.8
Mine Production - Lead (1,000s of lbs)	460	14	+ 15.0	na	44.3
Mine Production - Zinc (1,000s of lbs)	2,240	718	+ 1.8	+212.0	35.1
*Mine Production - Potash (1,000s of tons)	1,266	1,182	+ 5.8	+ 7.0	316.2
Index of All Farm Prices (1947-49 = 100)	96.9	106.6	- 5.4	- 9.1	96.9
Index of Livestock Prices	101.0	116.8	- 7.1	- 13.5	101.0
Index of Crop Prices	94.4	88.9	0.0	+ 6.2	94.4
Receipts from All Farm Marketings (1,000s)	$ 18,606	$ 30,304	- 28.5	- 38.6	92.5
Livestock and Products	4,311	6,559	- 46.7	- 34.3	70.7
Crops	14,295	23,745	- 18.8	- 39.8	102.5

	January 1960	Year Earlier January 1959	Per Cent Change January 1960 from Dec. 1959	Per Cent Change January 1960 from Jan. 1959	INDEX January 1960 (Average Month 1947-49 =100)
Bank Debits, 35 banks (1,000s)	$500,917	$501,912	- 5.1	- 0.2	309.1[a]
Bank Loans and Discounts, 35 banks (1,000s)	48,412	51,839	- 14.0	- 6.6	284.1[a]
Demand Deposits, 35 banks (1,000s)	348,520	356,746	- 4.5	- 2.3	185.2[a]
Time Deposits, 35 banks (1,000s)	125,829	115,730	- 1.2	+ 8.7	360.6[a]
Wage Workers in Nonagricultural Establishments	226,900	223,000	- 1.9	+ 1.7	172.2
Number of Insured Unemployed	7,825	4,915	+ 31.4	+ 59.2	--
Rate of Unemployment (per cent of labor force)	4.20	2.71	+ 33.8	+ 55.0	270.3
*Building Permits, total 18 cities (1,000s)	$ 5,526	$ 12,074	- 62.7	- 54.2	192.2[a]
Residential	3,830	7,919	- 13.9	- 51.6	214.8[a]
Nonresidential	1,176	3,079	- 87.9	- 61.8	161.1[a]
Other	520	1,076	- 18.2	- 51.7	143.4[a]
Index of All Farm Prices (1947-49 = 100)	99.0	104.8	+ 2.2	- 5.5	99.0
Index of Livestock Prices	104.0	116.8	+ 3.0	- 11.0	104.0
Index of Crop Prices	93.7	82.5	- 0.7	+ 13.6	93.7

*Indexes for these items are used to compute the Index of Business Activity.

[a]Although the number of reporting units changes, the indexes for these items are comparable with indexes for preceding months.

[b]The figures in this series are based on the average of three months' data.

na - not available

Sources:

Retail Sales Data: N. M. Bureau of Revenue
Potash Production: N. M. Bureau of Revenue
Petroleum and Natural Gas Production: N. M. Oil Conservation Commission
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Workers and Unemployment: N. M. Employment Security Commission and U. S. Department of Labor
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Farm Prices and Marketings: U. S. Agricultural Marketing Service
Bank Data (all series) and Building Permits: Bureau of Business Research
Business Failure Liabilities: Dun & Bradstreet, Inc.
Construction Contracts: F. W. Dodge Corporation

Present Status of Our SBA Food Project

Much information concerning the problems and characteristics of New Mexico food manufacturers and of the structure of the State's food distribution industry has been gathered by interviewers working on the SBA-financed project of the UNM Bureau of Business Research. The project is basically one to examine the possibilities of expanding food manufacturing within the State.

PHASE NO. 1

The first phase of the project--that of setting up a list of products that could be manufactured from New Mexico's agricultural products now grown or that could be grown here in commercial quality and quantity--has been completed. The volume and areas of specific agricultural products grown in New Mexico were obtained from a variety of official sources. A list of crops commercially feasible for the area but not presently grown in this state was obtained from horticulturists and other agricultural specialists. From this material the Bureau has prepared a list of food products that could be manufactured from such raw materials.

PHASE NO. 2

The second phase of the study--a determination of what food products are currently being manufactured in New Mexico, where, and under what conditions--is well under way. Preliminary material listing current products and indicating market areas was obtained by mail questionnaires sent to every food processor operating in the State. Following this preliminary contact, more detailed questionnaires were developed, covering every phase of food processing. Personal interviews, using these questionnaires, have been planned with all New Mexico food manufacturers. To date, Bureau field workers have called upon all food processors within an area stretching from Socorro to Espanola and from Grants to Mountainair. Details of current operations, including volumes of individual products produced, extent of areas, and problems of distribution and expansion, were acquired. Interviews with all other New Mexico food processors should be completed shortly.

BASIC DATA

The total size of the market must be known before an attempt can be made to determine what portion would be available to New Mexico food processors. Distributors of food products will be identified by interviews with a sample group of state retailers. A multiphase plan has been developed to secure from distributors information concerning the size of the market of those products that could be processed in New Mexico. Interviewers will call upon all wholesalers operating in the State, upon those retailers that ship into the State from outside warehouses, and upon institutions that may be buying from out-of-state wholesalers or manufacturers.

The first part of a dual-purpose questionnaire has been developed to secure material related to the size of the market. Although the size is of great importance, the channels of food distribution and the structure of the market are of greater concern. If a New Mexico processor is to see his goods upon the shelves of New Mexico retailers, he must know the route his goods must take. Additionally, he should know how competitive goods get from the manufacturer to the retailer. The State's food distribution pattern and market composition will be outlined by our retail interviews; details will be secured from distributors through use of the second part of our questionnaire. All wholesalers within the Albuquerque area have already been consulted, and plans are well advanced to interview all other direct suppliers of food products coming into New Mexico.

To complete our coverage of the New Mexico market, interviews have been planned with all food brokers handling out-of-state merchandise. Plans have been made to obtain the volume of food products handled by food brokers of those products that could be produced in New Mexico, but that are now being shipped in. The food brokers will also be asked questions dealing with methods of distribution, trade practices, and characteristics of the market at both the retail and wholesale levels.

Analysis of the material obtained will show where the greatest potential for New Mexico food processors exists and what business practices New Mexico food manufacturers must adopt if they are to penetrate the market successfully.

The goal of the SBA project was outlined during numerous contacts and meetings held with food industry representatives. The method of approach was described, and the need for certain types of information was explained. The enthusiastic response we received from most businessmen was very gratifying. Their comments concerning the usefulness of the material we are developing, from their point of view as food industry businessmen and as citizens of New Mexico, assured us that we have attacked a problem of wide interest and are developing answers that will be of real value to the State.

--A. A. B.

(Continued from Page 1)
several index points. Primary responsibility lay in the fairly steady drop from July of employment in mining (both metallics and petroleum), manufacturing, and construction. The softening of employment in these industries was reflected in a sharp rise of unemployment in December to a point higher than any since May of 1958. This discouraging note was underlined by a further increase of unemployment in January to a point higher than any since March 1958.

The December Index was held to its questionably high level only because December's building permits were made unusually large by the inclusion during the closing days of December of the permit for the Bank of New Mexico's new building. Value of contracts awarded for residential construction dropped about 30 per cent from the preceding December and registered a further decline in January.

A somewhat more cheerful note was provided by gains in electric power production and in output of oil, gas, and potash. All-in-all, however, business activity in the final month of the 1950s sounded a somber chord in bringing to a close the decade's cheerful theme of economic expansion.

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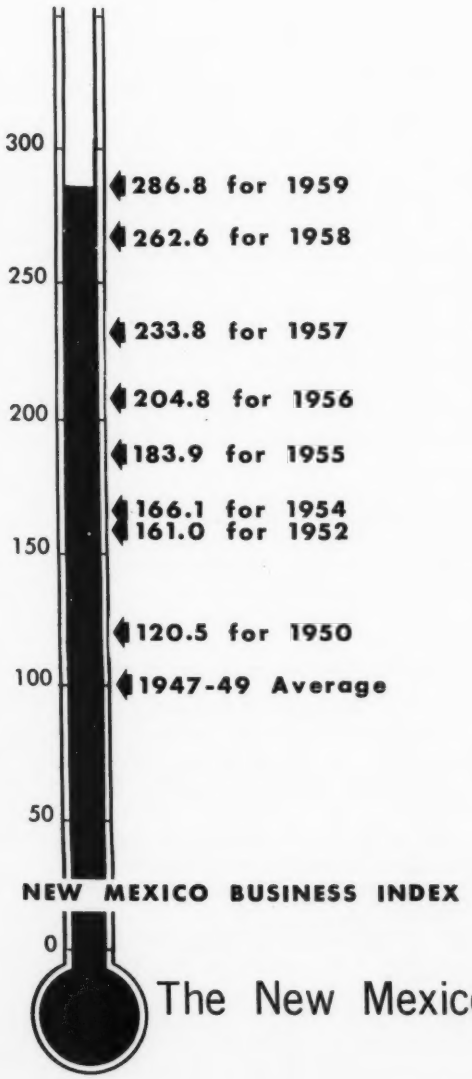
FEBRUARY 1960

ANNUAL SUMMARY OF

New Mexico BUSINESS

in 1959



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The New Mexico Economy During 1959.
Articles, Charts, Tables, Maps.

1959 INDEXES OF BUSINESS ACTIVITY IN NEW MEXICO

(Monthly Average 1947-49 = 100)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Monthly Average
Index of Business Activity	278.8	259.0	289.6	298.3	294.4	295.3	293.2	276.5	285.3	285.0	285.9	300.5	286.8
Sales of Retail Stores	225.3	234.5	218.1	215.4	241.8	264.9	271.6	254.4	248.2	245.8	216.5	215.1	237.6
Apparel Stores	334.2	160.7	174.7	153.5	181.0	185.0	173.4	183.0	162.1	197.0	175.1	228.8	192.4
Automotive Dealers	219.3	249.4	256.4	234.8	261.2	270.7	304.7	254.4	226.6	278.8	198.4	215.6	247.5
Subsistence Stores	228.3	217.8	209.6	215.7	193.2	280.6	259.1	250.8	245.3	221.4	224.8	186.2	227.7
Furniture & Appliances	282.1	191.3	170.1	171.8	174.9	229.8	193.1	223.7	190.6	219.7	171.0	207.1	202.1
Building Material Dealers	400.9	220.0	244.8	256.9	268.4	281.2	284.9	254.6	218.5	227.1	206.7	192.6	254.7
Other Retail Stores	149.5	260.5	199.0	203.7	277.9	263.7	278.8	277.0	306.4	256.8	247.2	248.5	247.4
Amusement Sales	299.5	144.0	149.7	171.9	146.2	182.1	197.1	317.3	202.8	156.7	146.9	166.3	190.0
Service Sales	351.1	374.0	354.6	380.5	388.0	441.8	364.1	356.7	340.1	403.0	354.6	333.7	370.2
Contractors' Sales	461.2	491.9	504.4	483.6	506.6	589.1	610.0	342.2	305.7	524.2	614.3	404.9	486.5
Wholesale Sales	106.3	185.0	191.6	206.0	217.9	227.7	223.5	204.3	223.2	209.5	201.8	177.7	197.9
Public Utilities' & Carriers' Sales	322.7	472.0	485.3	418.5	354.1	404.5	293.7	385.6	308.8	383.5	318.1	343.1	374.2
Life Insurance Sales	540.8	567.2	627.6	691.4	660.6	762.7	703.7	594.4	652.9	676.7	644.6	894.1	668.1
Bank Debits, 36 banks	309.8	268.9	307.6	315.3	310.6	320.5	320.8	300.9	317.1	326.3	318.1	325.7	311.8
Bank Loans & Discounts, 36 banks	304.3	268.7	316.0	298.0	304.9	300.9	298.8	306.0	276.9	269.4	301.7	330.4	298.0
Demand Deposits, 36 banks	189.7	182.3	182.8	182.4	179.7	181.9	184.6	189.0	181.1	186.0	193.3	193.9	185.6
Time Deposits, 36 banks	331.4	332.7	332.4	331.1	336.4	337.7	339.1	346.6	350.1	354.0	363.2	365.0	343.3
Business Failure Liabilities	1,372.9	768.6	206.1	185.2	350.2	559.0	269.9	0.0	100.4	200.9	100.4	98.7	351.0
Wage Employment	169.3	169.5	171.9	173.9	175.5	178.4	177.3	175.5	175.9	175.1	174.9	175.7	174.4
in Mining	151.6	152.4	155.6	155.6	158.0	162.0	162.8	162.0	151.6	151.6	156.4	155.6	156.4
in Contract Construction	171.8	174.9	178.9	182.9	179.7	178.9	169.4	159.1	156.7	148.8	145.7	144.9	166.2
in Manufacturing	176.5	176.5	180.9	187.4	190.6	195.0	198.2	185.2	192.8	185.2	182.0	179.8	185.8
in Transportation & Utilities	132.2	132.2	133.6	133.6	135.5	137.5	136.8	138.2	138.8	138.8	138.2	136.8	136.2
in Trade	158.3	158.6	161.0	163.4	165.5	169.7	170.3	171.0	170.0	169.7	170.3	175.5	166.9
in Finance, Ins. & Real Estate	282.8	286.2	289.7	296.6	300.0	300.0	300.0	300.0	303.4	296.6	293.1	300.0	296.6
in Services & Miscellaneous	146.6	147.5	149.3	150.7	153.4	160.3	163.1	164.0	164.5	162.6	161.7	159.4	157.1
in Government	210.3	207.8	209.6	211.0	212.0	212.0	207.1	206.1	211.0	215.9	215.9	217.3	211.3
Insured Unemployment*	174.6	199.8	183.5	150.0	122.9	100.5	109.3	119.8	123.2	133.3	167.0	202.4	148.4
Building Permits, total 18 cities	419.8	321.9	387.2	515.7	358.7	364.1	234.3	320.2	336.4	286.7	225.3	515.7	357.2
Residential	444.1	351.7	433.5	572.7	357.1	412.4	249.6	318.9	362.4	294.4	232.3	249.5	356.6
Nonresidential	422.0	293.4	187.3	484.0	374.6	224.7	179.6	262.4	315.1	314.3	220.6	1,335.3	384.4
Other	296.5	232.5	562.0	299.4	334.6	407.0	269.3	442.4	255.3	193.4	200.5	175.2	305.7
Petroleum Production	223.9	201.8	226.4	222.7	230.1	225.5	230.4	230.7	223.1	232.7	225.8	233.9	225.6
Natural Gas Production	554.2	401.8	369.1	339.3	352.5	358.2	374.2	379.1	373.5	376.1	415.3	450.1	395.3
Electric Power Production	297.9	263.7	291.6	300.2	299.1	332.6	353.2	344.9	316.0	300.8	296.4	320.3	309.7
Metallics Production - Total	65.8	58.4	75.0	62.2	65.5	45.9	59.8	19.6	12.0	16.4	16.4	17.2	42.8
Mine Production - Copper	109.9	99.2	129.1	106.2	111.5	71.9	97.7	18.0	1.9	2.3	2.4	2.8	62.7
Mine Production - Lead	na	na	na	na	na	13.1	6.9	17.5	26.2	39.5	38.5	44.3	16.1
Mine Production - Zinc	0.8	na	na	na	na	na	na	19.6	24.9	34.9	34.5	35.1	12.5
Mine Production - Potash	301.1	266.8	311.3	300.3	297.5	281.4	211.1	297.1	292.3	292.5	298.7	316.2	288.9
All Farm Prices	104.8	105.9	107.6	112.4	112.4	105.5	105.5	102.8	106.9	106.2	102.4	96.9	105.8
Livestock Prices	116.8	117.4	118.8	123.2	123.2	113.4	113.4	109.7	114.1	113.4	108.7	101.0	114.4
Crop Prices	82.5	84.1	86.5	94.0	94.0	92.9	93.3	92.5	96.8	95.6	94.4	94.4	91.8
All Farm Marketings	149.8	126.1	135.3	78.1	119.6	96.1	120.9	125.1	157.6	134.7	129.3	92.5	124.3
Livestock & Products	102.7	95.2	105.5	69.3	104.3	79.4	104.0	100.0	157.3	154.7	132.7	70.7	120.1
Crops	185.2	164.0	211.1	111.4	187.1	135.6	138.8	171.3	157.1	84.1	126.3	102.5	130.7

na - not available

Sources:

Retail Sales Data: N. M. Bureau of Revenue
Potash Production: N. M. Bureau of Revenue
Petroleum and Natural Gas Production: N. M. Oil Conservation Commission
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Workers and Unemployment: N. M. Employment Security Commission and U. S. Department of Labor
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Farm Prices and Marketings: U. S. Agricultural Marketing Service
Bank Data (all series) and Building Permits: Bureau of Business Research
Business Failure Liabilities: Dun & Bradstreet, Inc.

A NOTE ON TABLES

Our readers are warned that they may find among the many tables in this issue figures in one table that won't agree with those in another. This fact is confusing! Which are correct?

All are correct within the limits of reporting accuracy, but they measure different things or different aspects of the same thing. Take the employment figures, for example. One figure measures total employment, including that of the armed services; one measures total civilian employment, including proprietors and persons self-employed, wage workers, and unpaid family workers; one measures all wage workers; one measures exclusively the nonfarm wage workers, defined as "employment in nonagricultural establishments."

Because of the difficulties inherent in the data and the likelihood of confusion, we'd like to make a few suggestions which will facilitate use of tables in any issue.

1. In order to determine exactly what the figures are or what they measure, the time to

(Continued on Page 59)

1959: New Mexico's Tapering Boom

New Mexico business entered 1959 with a strong upward surge, which appeared to exhaust itself during the latter part of the year. The early months witnessed a continuation of the flourishing conditions which had carried the State's business through the nation's 1958 recession with hardly a quiver. Following midyear, however, things began to level off; and in the later months signs of weakening were in evidence in many spots.

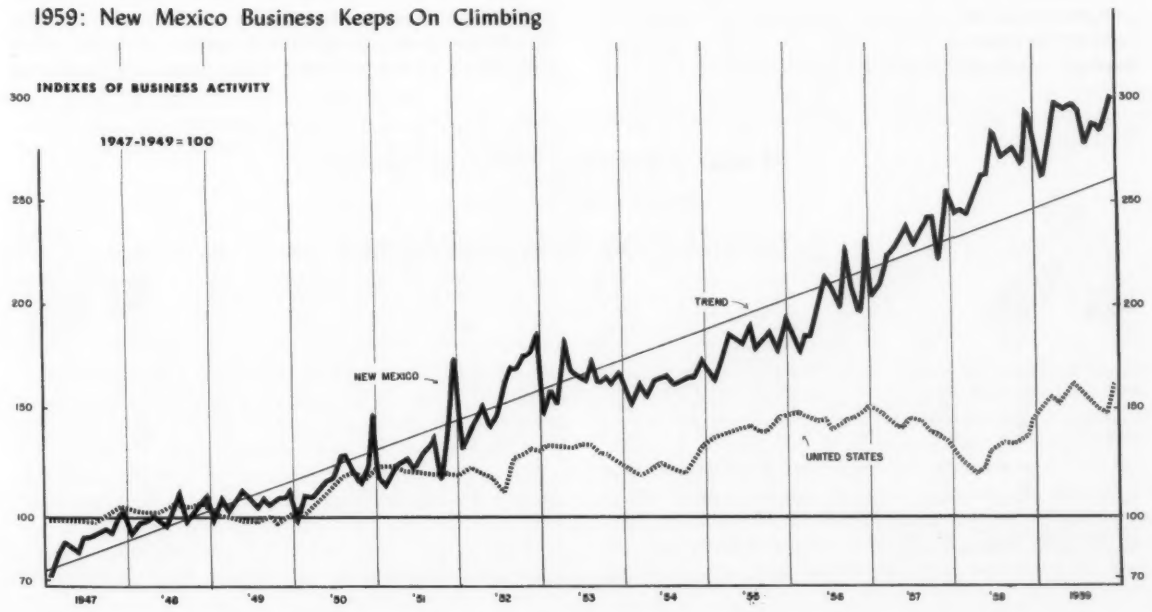
As in 1958, when construction activity had played a leading role in pushing New Mexico business to new high levels in the face of a national recession, such activity in 1959 appeared to provide the keynote for the faltering last half. But responsibility for the generally poor showing after July was shared by the industry-wide copper strike, by curtailment of petroleum refining, and by a cutback in railroad employment, coupled with such typical seasonal declines as those in lumber manufacturing and the tourist trades. Such declines inevitably led to some weakening of sales in the retail trades and services.

Despite the general tone of diminishing vigor which pervaded business as the year closed, 1959 as a whole saw most segments of the State's economy setting new high records. Even though construction contract awards tapered off sharply after June, building activity was held at high levels by jobs already under way; and sales of both building material dealers and construction contractors rose to new highs. And, although the copper strike reduced output of the red metal to its lowest postwar figure, gains in production of other minerals set a new record in the value of production of the minerals industries.

AGRICULTURE

Agriculture turned in a somewhat spotty performance in 1959. Largely as the result of a $6.1-million gain in the value of cotton harvested, total cash income from crops achieved a new high. On the other hand, income from livestock marketings dropped. Even so, cash farm income was larger than in any year since 1951, when an all-time peak was reached.

1959: New Mexico Business Keeps On Climbing



MINING

With the exception of the metallics group, most of New Mexico's mineral industries chalked up record performances in 1959, turning out products with a value greater by $47.5 million, or 8.5 per cent, than that in 1958. Nearly half of this gain was attributable to the $22.3-million increase in the value of uranium ores, which totaled just over $54.5 million and put uranium in fourth place among New Mexico's minerals, below crude oil, natural gas, and potash, but substantially above copper.

The overall minerals gain was achieved despite a sharp drop in the value of copper mined, a drop resulting from the long strike at Kennecott. Declines totaling $1.2 million also occurred in the output of helium, zinc, lime, lead, gold, and manganese; but these were more than offset by increases--many of them quite large--in the other commodities.

Although the outlook for both potash and petroleum looked somewhat dim at the beginning of the year, production of crude oil rose by $15.2 million and that of potash by $4.6 million. As a consequence of these unanticipated gains, petroleum output established a new high, and potash came close to equaling its best year (1957).

MANUFACTURING

New Mexico's manufacturing industries also achieved what appeared to be their best growth of the postwar period--a period during which the industry has made remarkable expansion. Equally important with the growth in size was the gain in diversity accomplished by the establishment of new plants to produce such varied items as reflective glass beads, concrete drills, sausage casings, cement, and television tubes.

Petroleum refining suffered a cutback, and small declines occurred in textiles and apparel and chemicals manufacturing. These reductions were more than offset, however, by rather substantial gains in printing and publishing, metals manufacturing, machinery, and food processing, and by small gains in other groups.

UTILITIES AND TRANSPORT

Activities of the common carriers, electric and gas utilities, and communications systems, which provide basic services for the State's growing economy, duly reflected both the early strong upward trend in New Mexico's economic development and the somewhat disconcerting weakness evident during the latter part of the year. Taken as a whole, the year's activities generally overshadowed by substantial margins the activities of 1958. Sales for this group, as reported by the Bureau of Revenue, were about 25 per cent above those in 1958.

The disappointing results of 1959's last half did not appear to discourage the utilities' appraisal of the long-term future. Most of them reported substantial expansion of facilities during the year and indicated that they are planning additional capital outlays in order to keep up with the rapid growth of the State. A partial enumeration of some of the larger projects indicates that expansion of the private utilities in 1959 cost approximately $40 million. Most of the companies say that they will do as well or better in 1960.

CONSTRUCTION

Construction entered 1959 working on a backlog of contracts awarded in 1958 that was far above those of any previous year, and the early part of 1959 witnessed a continuation of contract

1. THE INDEX OF BUSINESS ACTIVITY IN NEW MEXICO*

1947-1959

(Monthly Average 1947-49 = 100

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Monthly Average
1947	71.1	83.6	88.8	88.3	85.0	90.7	90.2	92.9	95.5	92.3	102.2	103.4	90.3
1948	93.2	98.0	97.6	100.7	99.0	97.5	105.4	116.3	99.4	103.2	106.5	112.4	102.5
1949	98.4	110.7	104.7	108.2	109.9	111.7	107.8	113.8	106.2	108.9	112.1	118.8	109.2
1950	99.7	111.2	109.5	115.2	117.5	118.0	130.2	131.4	120.7	117.7	123.3	151.2	120.5
1951	119.5	117.4	124.0	125.6	123.5	121.6	130.4	132.6	138.5	119.3	139.4	161.4	129.4
1952	132.8	143.2	146.9	154.2	145.9	148.6	166.1	173.4	172.5	179.9	177.4	191.1	161.0
1953	148.4	161.2	155.1	186.2	172.3	169.7	168.1	176.2	165.0	168.5	164.9	170.8	167.2
1954	163.3	154.9	166.0	159.8	166.3	168.5	168.7	164.7	165.7	168.4	168.5	177.0	166.0
1955	170.4	167.0	176.1	189.4	186.0	184.8	192.8	181.9	187.5	189.2	181.5	196.2	183.6
1956	192.4	180.2	188.8	189.3	202.8	208.5	203.9	204.9	231.6	209.3	201.8	234.3	205.2
1957	210.3	213.2	226.9	229.4	235.5	241.4	234.1	240.0	244.8	245.9	225.5	260.1	233.9
1958	239.1	242.0	241.5	250.4	261.8	262.2	281.1	267.9	270.6	275.2	266.1	293.8	262.6
1959	278.8	259.0	289.6	298.3	294.4	295.3	293.2	276.5	285.3	285.0	285.9	300.5	286.8

*Revised from previously published figures

Source: Bureau of Business Research

2. NEW MEXICO'S CHANGING ECONOMY

As Reflected in Average Monthly Employment [1]

	1947		1958[2]		1959		Change: 1947 - 1959	
	Number of Workers (add 000s)	Per Cent of Total	Number of Workers (add 000s)	Per Cent of Total	Number of Workers (add 000s)	Per Cent of Total	Number of Workers (add 000s)	Per Cent Change
All Industries	202.5	100.0	327.8	100.0	337.5	100.0	+135.0	+ 66.7
Agriculture	50.6	25.0	40.2	12.3	40.2	11.9	- 10.4	- 20.6
Mining	14.2	7.0	19.9	6.1	20.3	6.0	+ 6.1	+ 43.0
Manufacturing	10.3	5.1	17.4	5.3	19.1	5.7	+ 8.8	+ 85.4
Construction	12.0	5.9	24.4	7.4	24.8	7.4	+ 12.8	+106.7
Transporation & Utilities	15.3	7.6	21.2	6.5	21.9	6.5	+ 6.6	+ 43.1
Trade	35.7	17.6	60.1	18.3	62.6	18.5	+ 26.9	+ 75.4
Finance	3.5	1.7	9.8	3.0	10.5	3.1	+ 7.0	+200.0
Services	25.7	12.7	47.9	14.6	50.7	15.0	+ 25.0	+ 97.3
Government	35.2	17.4	86.9	26.5	87.4	25.9	+ 52.2	+148.3
State & Local	(16.2)	8.0	(33.5)	10.2	(35.7)	10.6	(+ 19.5)	+120.4
Federal	(10.0)	4.9	(27.5)	8.4	(27.7)	8.2	(+ 17.7)	+177.0
Military	(9.0)	4.5	(25.9)	7.9	(24.0)	7.1	(+ 15.0)	+166.7

(1) Total employment includes wage and salary workers, proprietors and self-employed, domestic workers, and military personnel.
(2) Revised from figures previously published
Sources: Bureau of Business Research based on reports and information from N. M. Employment Security Commission and U. S. Bureau of Census

lettings at record levels. As the year matured, however, planned construction declined rather steadily; and during the late months activity fell somewhat below the volume at midyear. Nevertheless, gross receipts reported to the Bureau of Revenue by construction contractors of all kinds exceeded those reported in 1958 by more than 8 per cent.

TRADE

Generally speaking, the trades and services reflected the patterns of activity shown by the more basic industries. The rise in employment and personal income supported an increase in sales volume for most of the groups catering directly to the consuming public. Gross receipts reported to the Bureau of Revenue indicate that retail stores enjoyed a 10-per cent increase in sales volume in 1959. This gain was surpassed by a gain of 13 per cent for wholesalers.

Although the reported figures show that retail volume was up for the year as a whole, they also show that it reached its peak in July (at 272 per cent of the 1947-49 monthly average) but thereafter declined rather steadily, failing even to enjoy the usual Christmas bulge. On the basis of the reported figures, December 1959 turned out to be the poorest Christmas season for New Mexico retail merchants since 1955.

FINANCE

The figures for banking activity reported to this Bureau by 36 of the largest of the State's 53 banks confirm the view that 1959 business activity substantially exceeded that of 1958. Bank debits rose 15.8 per cent, and loans and discounts were up 17.8 per cent. In contrast to most other economic measures, the banking figures give no apparent evidence supporting the last-half slow-down of New Mexico business in general. If measured solely by the volume of money transactions, our economic activities could be said to have undergone almost no weakening in 1959.

--R.L.E.

Employment and Income

Probably the clearest overall picture of the manner in which New Mexico's economy fared in 1959 is afforded by examining what happened to employment and income, and in these respects the State turned in its best performance to date. Although it declined rather markedly after reaching a peak in June, wage employment for the entire year averaged 3.6 per cent higher than in 1958 (5 per cent higher for nonagricultural wage workers). This increase was approximately the average rate for the entire postwar period. Together with the upward trend in wage rates, it assured a volume of personal income considerably larger than was obtained in 1958.

All employment, including that of the self-employed and those in the military services, rose an estimated 3 per cent to a total of 337,500 persons, so that better than 35 per cent of New

3. EMPLOYMENT AND WAGES IN NEW MEXICO
1958 & 1959

	WAGE & SALARY WORKERS			WAGES PAID		
	1958[1] (monthly average)	1959	Per Cent Change	1958[1] (millions of dollars)	1959	Per Cent Change
Agriculture	15,900	16,300	+ 2.5	$ 25.7	$ 26.7	+ 3.9
Mining	19,100	19,500	+ 2.1	107.7	116.5	+ 8.2
Manufacturing	15,500	17,200	+11.0	75.4	83.5	+10.7
Construction	20,700	20,900	+ 1.0	96.6	104.3	+ 8.0
Transportation & Utilities	20,000	20,700	+ 3.5	100.1	107.0	+ 6.9
Trade	46,000	48,400	+ 5.2	149.4	165.2	+10.6
Finance, Insurance, & Real Estate	7,900	8,600	+ 8.9	33.0	36.4	+10.3
Services & Miscellaneous[2]	37,600	40,300	+ 7.2	123.8	133.1	+ 7.5
Government	86,900	87,400	+ 0.6	357.5	375.5	+ 5.0
Federal[3]	(53,400)	(51,700)	- 3.2	(254.4)	(255.8)	+ 0.6
State & Local	(33,500)	(35,700)	+ 6.6	(103.1)	(119.7)	+16.1
TOTAL	269,600	279,300	+ 3.6	$1,069.2	$1,148.2	+ 7.4

(1) Revised from figures previously published
(2) Includes 6,000 household workers in 1958 and 1959
(3) Includes civil service, military, and Los Alamos-University of California employees
Sources: Bureau of Business Research, based on reports of N. M. Employment Security Commission, U.S. Bureau of Census, U.S. Department of Commerce, and various other agencies

Mexico's estimated midyear population was employed on the average during 1959. Record employment levels produced record income levels; and personal income of New Mexicans from all sources rose to $1,658.5 million, a gain of 6.4 per cent over 1958. In view of the slackening of business in the second half of the year, this increase in personal income appears quite healthy, particularly when compared with the 5.9-per cent gain reported for personal income nationally.

Many factors were responsible for the rise in personal income in 1959, including increased business and government activity leading to larger employment and (presumably) larger production, higher pay rates, a considerable increase in transfer payments, and some rise in prices. At the same time, the gain was retarded somewhat by the slackening of business in the latter part of the year, which ate into proprietorship earnings and reduced wage income below its high level of the earlier months.

INDUSTRIES FARE DIFFERENTLY

All major segments of the economy contributed to the rise of employment and income in contrast to the situation in 1958 when agriculture, mining, and transport all registered declines. Also in contrast to the 1958 performance of construction activity, during which it chalked up the biggest gain of all major groups, such activity turned in the poorest gain in 1959 primarily because of a decline during the last half of the year. The manufacturing industries registered the best gains for the year as a whole, even though their employment suffered a 10-per cent cutback from July to December.

EMPLOYMENT DROPS SPUR UNEMPLOYMENT

Mining and construction also suffered unseasonable declines of substantial proportions in the second half, and the tourist trades witnessed their usual seasonal dip following August. Increases in other industries were quite modest from July on and not sufficient to offset the reduced activities in those industries which weakened; consequently, unemployment rose abruptly during the last three months of the year.

Changes in unemployment in 1959 were, as might be expected, quite sensitive to changes in general business conditions. The lowered levels of unemployment during the first part of the year, as compared with those in 1958, reflected the generally flourishing conditions of business during the period. The weakening of business conditions after midyear showed up promptly in the counter-seasonal rise of unemployment throughout the last six months.

4. ESTIMATED INDIVIDUAL INCOME
New Mexico, 1958 & 1959
(in millions)

	1958[1]	1959	Per Cent Change
Total Personal Income	$1,558.8	$1,658.5	+6.4
Wages & Salaries	1,069.2	1,148.2	+7.4
Proprietors' Income[2]	271.0	280.9	+3.7
Property Income	147.5	154.9	+5.0
Transfer Payments[3]	97.0	102.6	+5.8
Less Deductions for Social Insurance	-25.9	-28.1	+8.5
Per Capita Income (in dollars)	$1,658	$1,721	+3.8

(1) Revised from figures previous published.
(2) Business earnings of unincorporated enterprises. Includes farmers' income.
(3) Includes government aid and welfare, veterans' benefits, pensions, retirement, and all payments for which current services are not required.

PER CAPITA INCOME RISES

The rise in personal income brought with it a modest increase in per capita income of 3.8 per cent, somewhat less than the gain in total income, since it had to be spread among more people. The estimated 940,000 persons living in the State in 1958 had a per capita income of $1,658. The per capita share of the 963,600 inhabitants in 1959 was $1,721, about 80 per cent of the preliminary estimate of the national per capita income. The increase in per capita income of 3.8 per cent over 1958 and 53.7 per cent over 1949 represents a real gain on rising prices as measured by the consumer price index, which rose 0.9 per cent and 22.4 per cent respectively.

5. UNEMPLOYMENT COMPENSATION
New Mexico, 1958 & 1959

	Number Claiming Compensation		Per Cent of Labor Force Unemployed	
	1958	1959	1958	1959
January	5,977	4,915	3.47	2.71
February	7,323	5,677	4.24	3.11
March	7,604	5,285	4.40	2.85
April	7,299	4,358	4.15	2.33
May	5,915	3,598	3.30	1.91
June	4,812	2,993	2.63	1.56
July	4,668	3,258	2.53	1.70
August	4,375	3,543	2.37	1.86
September	3,578	3,619	1.94	1.91
October	3,408	3,870	1.87	2.14
November	3,279	4,862	1.78	2.59
December	4,068	5,957	2.16	3.14
Monthly Average	5,287	4,328	2.93	2.31

Source: Derived from N. M. Employment Security Commission reports

ALL DISTRIBUTIVE SHARES GAIN

The big bulk (79 per cent) of the increase in personal income came in the form of wages and salaries, the most important source of income; and wages and salaries showed the greatest percentage gain of all distributive shares of income. Wage and salary workers claimed about seven out of every $10 of personal income, a proportion which was approximately the same as in most recent years and almost equal to the national one.

The large gain in wage payments was the result of both a larger number of wage workers and increases in average weekly earnings in most industries. While all industries in the private sector of the economy contributed to larger wage and salary payments, government at all levels showed the largest dollar gain, most of it coming from state and local agencies. The addition of 2,200 persons to state and local government payrolls and to public school and college staffs, together with some pay raises, caused the rather sharp gain in income from these sources.

Federal government employment, civilian and military combined, dropped for the first time in recent years--down some 1,700 persons from 1958--but the payroll increased. Payments to military personnel were off an estimated $6.8 million, but this decline was more than offset by a rise of $8.3 million in civil service payrolls. Federal government payrolls in New Mexico provided 22.3 per cent of the total wages and salaries paid in 1959, demonstrating the importance to the economy of federal activities in the State.

In the private sector trade made the largest contribution to the rise in wage and salary income over 1958, although manufacturing showed a slightly higher rate of increase. The gain in wage payments from mining was largely due to expanded activity in the uranium industry, although wages in both petroleum and potash showed slight increases from 1958. Expansion of employment in communications and utilities helped raise wage income, as did also the growth of the professional and scientific service group.

Proprietorship income showed the smallest gain of any of the distributive shares. Incomes of independent business proprietors were carried upward by the general expansion of the economy, but they were held down by the slowing of business activity in the year's last half. As the result of some increase in crop marketings, gross income of farmers was up slightly, in contrast to the experience of farmers nationally. This gain was offset, however, by a corresponding increase in operating expenses, so that farm operators' net income remained stationary at its 1958 figure of $74.5 million.

Property income (that from interest, dividends, rents, and royalties) showed a somewhat better increase, but was held in check by a slight decline in oil and gas royalties. Transfer payments (income received for which no current service is required in return) rose somewhat more than other nonwage sources, largely as the result of a $3-million hike in state welfare payments and a $2-million rise in federal social security benefits. Veterans' benefits and direct payments to farmers remained about the same as the year before, while unemployment compensation actually declined by almost $1 million.

THE CHANGING ECONOMY

Structural changes in New Mexico's economy continued to follow the patterns typical of its rapid postwar growth. All industries except agriculture have contributed in various proportions to the overall growth of employment of 66.7 per cent since 1947--as contrasted with the national growth in the same period of 14.3 per cent. But mining and transportation, along with agriculture, have declined in relative importance as generators of employment and of income, even though each has played an important role in contributing to the high level of activity which has supported the State's postwar prosperity.

6. HOURS AND EARNINGS IN SELECTED INDUSTRIES

New Mexico, 1958 & 1959

	Average Hourly Earnings 1958	Average Hourly Earnings 1959	Per Cent Change	Average Weekly Hours 1958	Average Weekly Hours 1959	Per Cent Change	Average Weekly Earnings[1] 1958	Average Weekly Earnings[1] 1959	Per Cent Change
Mining	$2.48	$2.55	+2.8	43.2	43.5	+0.7	$107.26	$111.50	+4.0
Construction	2.72	2.84	+4.4	37.1	37.6	+1.3	100.92	106.92	+5.9
Manufacturing	2.01	2.02	+0.5	41.2	41.1	-0.2	82.72	83.15	+0.5
Communications & Utilities	2.04	2.14	+4.9	40.1	40.6	+1.2	81.94	86.62	+5.7
Trade[2]	1.64	1.74	+6.1	41.4	41.7	+0.7	67.91	72.65	+7.0
Finance[3]	na	na	--	na	na	--	66.41	69.44	+4.6

na - not available
(1) These figures are averages of monthly data. Therefore, multiplying average weekly hours by average hourly earnings will not produce the stated average weekly earnings.
(2) Excludes eating and drinking places
(3) Excludes insurance and real estate
Source: N. M. Employment Security Commission

DEFENSE AND NEW INDUSTRIES

The most important stimulus to growth since World War II has been the expansion of federal activities in the State, most of which has been associated with national defense. Federal employees, both civilian and military, averaged 51,700 in 1959. Of this number about 80 per cent were in activities associated directly with national defense. While the majority of these are engaged in programs typical of the military in peacetime, possibly as many as one third are employed in research and development.

These activities have been extremely important in determining the directions in which the private sector of the economy has grown. Not only have they had the usual impact associated with increases in population and employment--increased housing construction, larger incomes, expanded markets for consumer goods, etc.--they have also produced remarkable changes in the types of economic activity conducted in the State. The extensive operations in researching, developing, and testing nuclear devices, electronic systems, and missiles at the installations of the federal government and its contractors have led to the establishment and stimulated the growth in employment of ordnance, electronics, and aircraft manufacturers and scientific and engineering services directly serving these installations. This complex of activities operated by or directly servicing the establishments of the government and its contractors has, in turn, encouraged the development here of other enterprises producing related goods and services for the civilian market. Not only has this complex enlarged the markets for such goods and services, but also it has whetted the ideas and attracted the scientific and technical personnel necessary to the formation of such enterprises.

One of the more important aspects of the federal expansion is the great stimulus it has given to construction. In any period of growth, construction activity employs a large portion of the labor force. The extent to which this activity has been given extra stimulus in New Mexico is shown by the fact that 9.1 per cent of the State's nonagricultural workers were engaged in construction during 1959 in contrast to the 5.7 per cent so employed in the nation as a whole during the peak construction year of 1957. Much of this accelerated activity has been directly concerned with building research and development facilities for the federal government and its contractors.

7. POPULATION, EMPLOYMENT, AND INCOME

New Mexico, 1949-1959

	Midyear Population	Average Monthly Employment*	Personal Income Total (in millions)	Personal Income Per Capita
1949	644,500	235,500	$ 721.9	$1,210
1950	684,400	248,300	805.9	1,178
1951	700,900	263,400	953.7	1,361
1952	721,200	281,500	1,035.2	1,435
1953	754,300	289,100	1,098.3	1,456
1954	767,400	284,800	1,130.9	1,474
1955	805,900	287,000	1,161.2	1,441
1956	848,500	297,900	1,286.0	1,516
1957	888,600	314,000	1,433.1	1,613
1958	940,000	327,800	1,558.8	1,658
1959	963,600	337,500	1,658.5	1,721
Per Cent Gain	49.5	43.3	129.7	53.7

*Includes wage workers, self employed, unpaid family workers, and military personnel
Source: Estimates of the UNM, Bureau of Business Research

GROWTH IN THE PRIVATE SECTOR

While it is true that federal activities have played the leading role in New Mexico's post-war growth, this dominance should not be permitted to obscure the fact that significant growth has occurred in other sectors of the economy, more or less independently of the expansion of federal activities. If one could deduct from the total gain in employment since 1947 the increase in federal civilian and military personnel and that

8. EMPLOYEES IN NONAGRICULTURAL ESTABLISHMENTS

New Mexico, 1958 & 1959
(in thousands)

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Monthly Average
TOTAL	1958	209.2	208.1	207.9	211.7	216.4	221.3	222.3	222.5	224.5	224.8	227.4	229.2	218.7
	1959	223.0	223.2	226.4	229.1	231.2	235.0	233.5	231.2	231.7	230.7	230.4	231.4	229.7
Mining	1958	20.3	19.8	19.3	19.1	19.2	19.5	19.0	18.0	18.7	18.1	19.1	19.4	19.1
	1959	18.9	19.0	19.4	19.4	19.7	20.2	20.3	20.2	18.9	18.9	19.5	19.4	19.5
Metal	1958	5.0	4.9	4.8	4.6	4.5	4.6	4.8	4.8	4.8	3.9	5.0	5.2	4.7
	1959	5.2	5.3	5.3	5.4	5.4	5.5	5.7	5.8	4.6	4.7	5.0	4.9	5.2
Petroleum	1958	11.2	10.8	10.4	10.4	10.7	10.9	10.6	10.3	10.1	10.2	10.2	10.2	10.5
	1959	9.8	9.8	10.1	9.9	10.3	10.7	10.6	10.4	10.3	10.2	10.5	10.4	10.3
Nonmetallic	1958	4.1	4.1	4.1	4.1	4.0	4.0	3.6	2.9	3.8	4.0	3.9	4.0	3.9
	1959	3.9	3.9	4.0	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.0
Manufacturing	1958	14.1	14.3	14.2	14.7	15.4	16.0	16.2	16.4	16.5	16.2	16.4	16.2	15.5
	1959	16.3	16.3	16.7	17.3	17.6	18.0	18.3	17.1	17.8	17.1	16.8	16.6	17.2
Lumber & Wood Products	1958	1.6	1.7	1.5	1.7	2.1	2.4	2.7	2.7	2.6	2.5	2.5	2.3	2.2
	1959	2.2	2.3	2.3	2.6	2.9	3.2	3.3	3.3	3.2	2.9	2.6	2.5	2.8
Food Products	1958	3.3	3.3	3.2	3.3	3.4	3.5	3.4	3.5	3.6	3.6	3.5	3.6	3.4
	1959	3.5	3.4	3.5	3.6	3.7	3.8	3.9	3.9	3.9	3.8	3.8	3.8	3.7
Other Manufacturing	1958	9.2	9.3	9.5	9.7	9.9	10.1	10.1	10.2	10.3	10.1	10.4	10.3	9.9
	1959	10.6	10.6	10.9	11.1	11.0	11.0	11.1	9.9	10.7	10.4	10.4	10.3	10.7
Construction	1958	18.2	17.9	17.5	18.6	19.9	20.9	21.6	22.3	22.1	22.6	23.5	23.7	20.7
	1959	21.7	22.1	22.6	23.1	22.7	22.6	21.4	20.1	19.8	18.8	18.4	18.3	20.9
Transportation & Utilities	1958	20.2	19.9	19.5	19.5	19.8	20.0	20.3	20.0	19.9	20.3	20.2	20.3	20.0
	1959	20.1	20.1	20.3	20.3	20.6	20.9	20.8	21.0	21.1	21.1	21.0	20.8	20.7
Railroads	1958	5.8	5.6	5.2	5.2	5.3	5.4	5.6	5.6	5.5	5.5	5.5	5.5	5.5
	1959	5.4	5.3	5.4	5.5	5.6	5.8	5.8	5.7	5.4	5.3	5.1	5.1	5.4
Transportation (except railroads)	1958	5.3	5.1	5.0	5.1	5.2	5.1	5.1	4.9	4.9	5.4	5.4	5.5	5.2
	1959	5.3	5.3	5.4	5.2	5.4	5.4	5.2	5.5	5.9	6.1	6.0	5.9	5.6
Communications & Utilities	1958	9.1	9.2	9.3	9.2	9.3	9.5	9.6	9.5	9.5	9.4	9.3	9.3	9.3
	1959	9.4	9.5	9.5	9.6	9.6	9.7	9.8	9.8	9.8	9.7	9.9	9.8	9.7
Trade	1958	43.7	43.3	43.7	44.5	45.4	46.5	46.7	47.4	47.6	46.8	47.4	49.3	46.0
	1959	45.9	46.0	46.7	47.4	48.0	49.2	49.4	49.6	49.3	49.2	49.4	50.9	48.4
Wholesale	1958	8.3	8.2	8.3	8.4	8.4	8.5	8.5	8.5	8.6	8.5	8.6	8.5	8.4
	1959	8.5	8.5	8.5	8.6	8.5	8.5	8.7	8.6	8.4	8.5	8.4	8.5	8.5
Retail	1958	35.4	35.1	35.4	36.1	37.0	38.0	38.2	38.9	39.0	38.3	38.8	40.8	37.6
	1959	37.4	37.5	38.2	38.8	39.5	40.7	40.7	41.0	40.9	40.7	41.0	42.4	39.9
Finance, Insurance, & Real Estate	1958	7.4	7.5	7.5	7.6	7.8	8.0	8.1	8.3	8.2	8.3	8.2	8.3	7.9
	1959	8.2	8.3	8.4	8.6	8.7	8.7	8.7	8.7	8.8	8.6	8.5	8.7	8.6
Services & Miscellaneous	1958	29.7	29.8	29.9	30.5	31.2	32.5	32.8	33.0	32.8	32.2	32.2	32.1	31.6
	1959	31.9	32.1	32.5	32.8	33.4	34.9	35.5	35.7	35.8	35.4	35.2	34.7	34.2
Hotels	1958	2.8	2.9	2.9	3.1	3.4	3.6	3.8	3.8	3.5	3.2	3.2	3.1	3.3
	1959	3.1	3.2	3.4	3.4	3.7	4.0	4.1	4.1	3.9	3.6	3.5	3.4	3.6
Personal	1958	3.8	3.8	3.8	3.9	3.9	4.0	3.9	3.9	4.0	4.0	4.0	4.0	3.9
	1959	4.0	4.0	4.0	4.1	4.1	4.2	4.2	4.2	4.3	4.4	4.3	4.3	4.2
Other	1958	23.1	23.1	23.2	23.5	23.9	24.9	25.1	25.3	25.3	25.0	25.0	25.0	24.4
	1959	24.8	24.9	25.1	25.3	25.6	26.7	27.2	27.4	27.6	27.4	27.4	27.0	26.4
Government	1958	55.6	55.6	56.3	57.2	57.7	57.9	57.6	57.1	58.7	60.3	60.4	59.9	57.9
	1959	60.0	59.3	59.8	60.2	60.5	60.5	59.1	58.8	60.2	61.6	61.6	62.0	60.2
Federal	1958	23.2	23.4	23.6	24.1	24.4	25.1	25.1	25.1	24.8	24.6	24.7	24.7	24.4
	1959	24.4	24.3	24.4	24.5	24.8	25.1	25.0	25.0	24.5	24.3	24.1	24.2	24.5
State & Local	1958	32.4	32.2	32.7	33.1	33.3	32.8	32.5	32.0	33.9	35.7	35.7	35.2	33.5
	1959	35.6	35.0	35.4	35.7	35.7	35.4	34.1	33.8	35.7	37.3	37.5	37.8	35.7

Source: N. M. Employment Security Commission

in aircraft, ordnance, and AEC contractor establishments, together with the increases in the other industries which must be ascribed to the gains in the first two groups (amounting altogether to about 74,000 workers), then the State's employment growth during the period would have been on the order of 61,000 workers, an increase of 30 per cent, which is quite substantial when compared with the nation's 14.3 per cent.

Industries which have shown particularly high rates of increase during this period (after deducting for the impact of federal activities in the State) are finance, mining, trade, construction, and manufacturing. A comparison of the percentage gains (again, after deducting for the estimated impact of federal activities in the State) of wage employment in New Mexico's industries with those made nationally points up the industries which have demonstrated the greatest relative vigor during the postwar period:

	N. M.	U. S.
Finance	139	45
Mining	72	-28
Trade	51	24
Construction	50	39
Manufacturing	35	6
Services	25	36
Transport & Utilities	23	- 5

--R. L. E. & V. T. X.

Agriculture

New Mexicans engaged in agriculture in 1959 had little to complain about and much for which to be thankful. The increase of approximately $4.7 million in cash receipts from farm marketings can be attributed largely to the greater production and sale of cotton. Cash receipts from most other crops remained the same or increased slightly, but those from the sales of livestock and livestock products dropped an estimated $8.2 million in 1959, compared with such receipts the year before. Uncle Sam sweetened the farmers' income pot in 1959 with an estimated $12.6 million in direct payments for the soil bank and other government conservation programs.

The number of farms in New Mexico dropped to an estimated 21,000, continuing the downward trend. The number of hired workers on those farms and the acreage harvested in 1959 remained about the same as the year before. Monthly average prices received by farmers declined for hogs, sheep, and lambs, but changed little for cattle. With few exceptions, the weather, moisture conditions, and the irrigation situation were favorable to the farmer and rancher.

CASH RECEIPTS FROM FARM MARKETINGS

Last year farm marketings in New Mexico generally ran counter to national sales. Total marketings increased 2.1 per cent in the State when compared with those the previous year; but in the nation they declined 2.3. On the other hand, livestock and product sales declined in New Mexico but increased slightly in the U.S.; and New Mexican crop farmers increased their marketings by 15 per cent, while nationally such receipts dropped 5 per cent. In the Mountain States, New Mexico and Idaho showed increases in total marketings, whereas the other sister states experienced declines in agricultural commodity sales.

Although cattle prices and cash receipts from livestock were both higher during the first half of 1959 than during the first half of 1958, a price drop during the last six months brought about a 5.8-per cent drop in total cash receipts from livestock. In each of the last five months of 1959 prices for livestock fell below their 1958 levels. These declines were promptly followed by a drop in cash receipts for livestock during the last three months which were sufficiently large to push receipts for the year down to a figure almost 6 per cent smaller than in 1958. The decline in cash receipts occurred despite an apparent increase in the number of livestock marketed as indicated by the rise in the number slaughtered or shipped out of the State.

Cash receipts from crops rose 15.4 per cent in 1959 as the result of a combination of price and production changes. Cotton production was up 27,000 bales, and the value of the crop was about $6 million more than in 1958. This substantial gain in cotton production and a slightly higher price for the lint combined to overcome declines in livestock and other crop receipts.

Cash receipts from cotton and cottonseed made up 57.8 per cent of the total, which proportion was slightly higher than that the year before. Cash receipts from other New Mexico crops were insignificant, except for those from hay, grain

9. CROP PRODUCTION IN NEW MEXICO[1]
1958, 1959, & 1948-1957 Average

		Production (add 000s)	Price (dollars)	Value (add 000s)
Cotton Lint (500-lb bales)	1948-1957	275		
	1958	301	$ 0.350[2]	$ 52,499
	1959	327	0.359[2]	58,592
All Hay (tons)	1948-1957	482		
	1958	712	19.50	13,884
	1959	656	23.00	15,088
Grain Sorghums (bu)	1948-1957	4,824		
	1958	8,085	1.00	8,085
	1959	8,800	0.92	8,096
Winter Wheat (bu)	1948-1957	1,652		
	1958	3,724	1.77	6,591
	1959	3,791	1.75	6,634
Cottonseed (tons)	1948-1957	112		
	1958	127	45.30	5,753
	1959	134	43.00	5,762
Commercial Vegetables (cwt)	1948-1957			
	1958	1,576	--	4,178
	1959	1,526	--	3,826
Corn (bu)	1948-1957	1,145		
	1958	1,457	1.37	1,996
	1959	1,425	1.37	1,952
Sorghum Forage (tons)	1948-1957	160		
	1958	95	16.00	1,520
	1959	110	17.00	1,870
Pecans (lbs)	1948-1957	3,030		
	1958	4,500	0.350	1,575
	1959	4,900	0.370	1,813
Broomcorn (tons)	1948-1957	5.4		
	1958	7.9	220.00	1,738
	1959	7.3	230.00	1,679
Peanuts (lbs)	1948-1957	7,067		
	1958	13,650	0.119	1,624
	1959	12,900	0.110	1,419
Barley (bu)	1948-1957	613		
	1958	1,200	0.92	1,104
	1959	1,330	0.96	1,277
Potatoes (cwt)	1948-1957	148		
	1958	544	2.00	1,088
	1959	385	2.09	805
Apples (bu)	1948-1957	564		
	1958	714	1.90	1,357
	1959	350	2.20	770
Oats (bu)	1948-1957	506		
	1958	595	0.70	416
	1959	798	0.77	614
Dry Beans (cwt)	1948-1957	224		
	1958	119	6.30	750
	1959	87	6.70	583
Peaches (bu)	1948-1957	147		
	1958	160	2.15	344
	1959	185	2.20	407
Alfalfa Seed (lbs)	1948-1957	1,616		
	1958	2,380	20.90	497
	1959	980	22.50	220
Spring Wheat (bu)	1948-1957	243		
	1958	82	1.76	144
	1959	58	1.65	96
Rye (bu)	1948-1957	50		
	1958	98	0.93	91
	1959	84	0.97	81
TOTAL	1948-1957	--		
	1958	--	--	$105,234
	1959	--	--	111,584

(1) Not including sugar beets and sudangrass seed
(2) Price per pound
Source: U. S. Agricultural Marketing Service, Las Cruces, New Mexico

sorghums, and winter wheat. Despite a production drop of 56,000 tons (down to 656,000 tons), the value of hay produced was about $1 million higher than in 1958, because of a higher price.

The value of all vegetables grown commercially in New Mexico last year dropped from $4.2 million in 1958 to $3.8 million, a decrease of 8 per cent. The volume of the total vegetable crop also declined, that of lettuce being reduced appreciably. Onions were produced in greater quantity than in 1958 and accounted for 46 per cent of the total value of the commercial vegetable crop.

PRICES RECEIVED BY FARMERS

Average 1959 prices were higher for important New Mexico crops and lower for livestock than those the previous year. Cotton, the major crop in this state, commanded a slightly higher price; and hay, the second most important crop, increased in price from $19.50 per ton to $23. Cattle, the most important livestock product, brought a slightly lower average annual price. However, that price does not tell the whole story. The most significant elements in the livestock price structure were the price drops in September, October, and November, the peak season for cattle sales. Lower prices in October, as shown in the table on prices, were accompanied by an $8.7-million decline in livestock cash receipts.

CROPLAND HARVESTED

Cropland harvested in 1959 was about the same as in 1958, but was less than the 1948-1957 average. The fact that harvested acres did not decline as they usually have in other recent years may mark a break in the trend toward less and less land devoted to crops. In 1949 we harvested 1.9 million acres in cropland, but by 1958 the acreage had declined to 1.1 million. The reduction in the acreage of harvested cropland has been accompanied by an increase in production resulting from greater efficiency. For example, during the 1948-1957 period, 294 acres produced an annual average of 4.8 million bushels of sorghum grain, while 220 acres produced almost twice as much in 1959. Improved yields per acre have been shown for alfalfa, cotton, beans, peanuts, oats, rye, barley, and broomcorn.

NUMBER OF LIVESTOCK ON FARMS

The number of livestock on U.S. farms, Jan. 1, 1960, was an all-time high of 101.5 million head. In New Mexico the 1.3 million head of cattle topped anything since 1946, and the sheep inventory was the highest since 1953. The national record volume has caused warning signals to be raised by some agricultural experts. The fear of price declines has been voiced by people

10. CASH RECEIPTS FROM FARM MARKETINGS

New Mexico, 1958 & 1959
(in thousands)

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
TOTAL	1958	$13,688	7,101	9,643	8,019	10,856	7,338	8,735	7,280	14,419	67,056	40,846	30,304	225,285	18,774
	1959	$19,630	11,201	11,992	8,876	11,694	7,688	9,130	7,814	17,714	60,566	45,145	18,606	230,056	19,172
Crops	1958	$ 8,932	3,657	3,051	1,911	2,479	2,509	4,617	3,248	4,306	9,577	15,958	23,745	83,990	6,999
	1959	$14,422	6,811	5,347	2,498	3,051	2,957	4,786	3,620	7,453	10,759	20,946	14,295	96,945	8,079
Livestock	1958	$ 4,756	3,444	6,592	6,108	8,377	4,829	4,118	4,032	10,113	57,479	24,888	6,559	141,295	11,775
	1959	$ 5,208	4,390	6,645	6,378	8,643	4,731	4,344	4,194	10,261	49,807	24,199	4,311	133,111	11,093

Source: Agricultural Marketing Service, U. S. Department of Agriculture

who believe that such a large livestock inventory will cause a depressed income from sales.

Offhand, it would seem that the large livestock inventory should be cause for celebration by and applause for ranchers. Instead, we are told that high farm productivity may be bad for the economy. Not many years ago people were in for bad times when production was low, but today it seems that persons are more likely to go hungry when production is high. This paradoxical situation is applicable not only to agriculture but also to the industrial segment of our economy.

NUMBER OF FARMS

An average annual loss of 535 farms took place in New Mexico during the years 1949 to 1958. In 1958 the estimated number of farms in New Mexico was 21,600 and in 1959 the number dropped to an estimated 21,000. This decline was part of a long-range national pattern, not confined to any region or state. The efficiency drive by farmers undoubtedly caused some consolidation of small marginal farms with larger ones. A few farms were probably abandoned, and some were eliminated by the rush to the suburbs and the extension of urban areas into what was previously farm land. Some farms have been absorbed by urban expansion around cities like Albuquerque, Farmington, Roswell, and Alamogordo.

GOVERNMENT PAYMENTS

The federal government made total direct payments to New Mexico farmers of $12.6 million in 1959. The total was about the same as that the year before, but smaller than the peak $15 million in agricultural aid in 1957. During the 1949-1956 period such direct aid ranged from $1.1 to $5.7 million per year. Then in 1957 the soil bank and other agricultural programs began full-scale operations, and payments to farmers increased sharply.

The conservation-reserve, acreage-conservation, shorn-wool, and unshorn-lambs programs were the main ones through which farmers and ranchers last year received direct government payments. More than half the payments were made through the conservation-reserve program, popularly known as the soil bank. Farmers and ranchers in Curry, Quay, and Roosevelt counties received $5.5 million out of the $7.7 million total soil bank payments, although farmers in 23 counties got some conservation-reserve money.

Ranchers in 31 New Mexico counties participated in the wool-incentive program and received a total of $3.4 million in government payments. Chaves county's 266 applicants received $1.1 million in the form of wool-incentive payments.

Farmers in 31 counties took part in the program in acreage conservation, receiving slightly more

11. PRICES RECEIVED BY FARMERS FOR SELECTED LIVESTOCK

New Mexico, 1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Monthly Average
Hogs (per cwt)	1958	$18.50	19.40	20.30	20.20	20.80	21.60	21.60	20.80	19.50	18.30	18.10	17.40	19.71
	1959	$16.20	15.60	16.10	15.90	15.70	15.20	13.50	14.20	13.70	13.00	12.80	11.30	14.43
Cattle (per cwt)	1958	$19.70	20.70	22.60	23.60	23.30	21.90	22.30	21.80	23.10	23.70	22.40	22.40	22.29
	1959	$22.70	23.30	23.80	24.70	24.50	21.70	21.40	20.00	21.90	22.30	20.70	18.80	22.15
Veal Calves (per cwt)	1958	$24.50	25.50	27.00	28.00	28.50	27.00	27.50	27.50	29.00	30.50	31.00	31.00	28.08
	1959	$32.00	32.00	31.50	32.50	32.70	30.20	30.00	29.50	29.00	29.00	29.00	26.30	30.31
Sheep (per cwt)	1958	$ 7.60	8.00	9.00	9.00	7.50	7.00	7.40	7.20	7.20	7.20	7.20	7.00	7.61
	1959	$ 7.00	7.20	7.20	7.20	6.70	6.50	7.00	6.80	6.50	6.50	6.20	6.50	6.78
Lambs (per cwt)	1958	$22.00	22.20	21.00	20.00	19.00	20.00	20.00	20.50	21.00	21.00	20.00	19.00	20.48
	1959	$18.50	18.30	18.90	19.50	21.00	20.00	20.50	20.00	19.00	17.50	17.00	16.50	18.89

Source: U. S. Agricultural Marketing Service, Las Cruces, New Mexico

than $1.5 million. The distribution of the payments among the counties was unlike payments in other programs in that no one area of the State could be singled out as having received the largest share.

FARM EMPLOYMENT AND WAGES

Farm employment appeared to average about the same in 1959 as in 1958. As usual, however, the size of the agricultural work force was difficult to ascertain because of the inconsistency of reporting among the various reporting agencies. The estimates used here are based upon figures from the New Mexico Employment Security Commission, which appears to provide the most reliable data.

Although it is necessary to compute average farm employment by averaging the estimated number of workers reported for each month, the method is not entirely satisfactory, because farm employment fluctuates constantly and sometimes widely. For example, in 1958 the cotton harvest started late in September, so that peak levels of employment were reached in October and November. In 1959, however, the harvest began early in September, so that the peak employment level was maintained throughout October, with a sharp drop in the number of seasonal workers occurring in November. Since employment was reported on the same date for each year, the comparability of the figures was affected by the change in the harvest season.

Farm chores are handled by five types of workers: operators, unpaid family members, hired regular workers, and two groups of seasonal hands--domestic and foreign, the latter being made up in New Mexico largely of Mexican nationals. Although the average of all kinds of workers employed during the year was the same as in 1958, the peak employment in September was 3,800 higher in 1959 than in the preceding year; and the drop from that peak of 54,800 to 32,000 in December was much more drastic than the 1958 seasonal slump. Moreover, the composition of the work force changed somewhat. The number of farm operators rose about 500 to a figure approximating 15,000, the difference between the number of operators and the number of farms being explained by the fact that some farmers operate more than one farm. At the same time there was a decline in the number of unpaid family workers and of seasonally hired domestic laborers, but it was offset by increases in regularly employed hired hands and seasonally employed foreign workers.

12. HIRED FARM WORKERS
New Mexico, 1958 & 1959

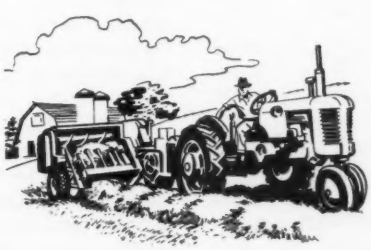
	1958	1959	Per Cent Change
Hired Workers	15,900	16,300	+ 2.5
Domestic, seasonal	4,000	3,600	-10.0
Domestic, regular	5,200	5,100	- 1.9
Foreign, seasonal	6,700	7,600	+13.4

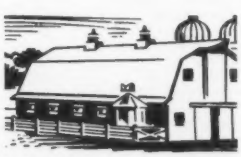
Source: Based on data from N. M. Employment Security Commission

As New Mexico farmers continued to rely more heavily on foreign contract laborers than on domestic workers to fill the seasonal needs for farm labor, the number of Mexican nationals rose to 18,200 at the September peak. On the average, 900 more foreign seasonal workers were employed in 1959 than in 1958, mostly in the cotton fields of Eddy, Lea, Dona Ana, Otero, Luna, and Hidalgo counties. About 68 per cent of all seasonal workers in the State last year were Mexican contract laborers.

Farm wage rates in New Mexico were generally higher than those in the Southern States, but lower than elsewhere, including those in the other Mountain States. The average wage rate of farm workers with board and room increased to $130 per month last year, compared with $128 in 1958.

--V.T.X.





Mining

The mining industry in New Mexico, as everywhere, is actually an industry made up of many lesser industries. Critics have often commented that the big, all-inclusive industry is a myth, because too many individual antagonistic interests exist within the ranks to permit a closely knit, well-integrated industry with any sizeable body of aims common to all elements.

Such comment is perhaps valid. Often the only important shared characteristic seems to outsiders to be the basic nature of each segment of the mining world: each is extractive. Certainly, at the present time some segments are waging certain intra-industry battles which must of necessity leave certain other segments outside the conflicts, looking on and wondering which side to root for. Coal, now assuming a renewed measure of importance in the State (and in the nation) is fighting for restrictions upon use of natural gas; oil and gas look with some disfavor upon the way in which the coal industry is raising its national head; all three watch with more than mild interest the development of the atomic power industry.

13. VALUE OF MINERAL PRODUCTION
New Mexico, 1958 & 1959

	1958 (add 000s)	1959 (add 000s)	Per Cent Change
Petroleum	$293,974	$309,140	+ 5.2
Natural Gas	79,190	81,700	+ 3.2
Potash	69,106	73,678	+ 6.6
Uranium Ore	32,264	54,567	+ 69.1
Natural-Gas Liquids	32,462	38,400	+ 18.3
Copper	29,214	24,676	- 15.5
Sand & Gravel	11,413	11,800	+ 3.4
Manganese	2,333	2,208	- 5.4
Perlite	1,790	1,954	+ 9.2
Stone	1,507	1,600	+ 6.2
Zinc	1,843	1,094	- 40.6
Pumice	959	960	+ 0.1
Salt	275	289	+ 5.1
Lead	261	238	- 8.8
Helium	502	221	- 56.0
Lime	260	204	- 21.5
Silver	144	154	+ 6.9
Gold	118	108	- 8.5
Clays	73	74	+ 1.4
Others	2,089	4,200	+101.1
TOTAL	$559,777	$607,265	+ 8.5

Source: U. S. Bureau of Mines

Also, certain research efforts are being directed toward the use of "depleted" uranium in ways that could make it a competitor of zinc and other metals. Refiners within the industry often want more (cheap) foreign ores; primary producers want higher tariffs to keep out such ores. So it goes. Many conflicts of interest undoubtedly exist. On the other hand, from time to time, one segment proves beneficial to others; for example, some experts see in the cards the economical and efficient use of atomic power in open-pit mining and in recovering raw materials for petroleum products.

But this much is certain: during the last two or three years most segments of the mining industry have shared one thing--a special mining depression. In this state the going has been hard for copper; it has been worse than that for lead and zinc, for manganese and mica; and it has often been less than carefree for our strong segments like oil and gas, potash, and uranium. Therefore, no simple summary statement regarding New Mexico mining in 1959 can be made, for no segment of the industry fared exactly as did any other segment.

GENERAL PERFORMANCE

Thanks to a production increase of 69 per cent in uranium ore and ones of 18 per cent in natural gas liquids, 9 per cent in perlite, 7 per cent in potash, 6 per cent in stone, and a few other less important gains, New Mexico's mining industry produced commodities last year with a value 8 per cent above that for 1958. Mineral fuels accounted for 71 per cent of the estimated total of $607.3 million; nonmetals contributed 15 per cent; and metals, 14 per cent.

Serious decreases occurred in output of copper (down 16 per cent, largely because of the long strike), zinc (down 41 per cent because of continuing depressed prices), lead (off 9 per cent), helium (down 56 per cent, because activity was limited to the last quarter of the year), and manganese (off 5 per cent).

The tremendous effect of the industry-wide copper strike is indicated by the fact that during fiscal 1959 the value of our copper yield was 22 per cent greater than for fiscal 1958. But the strike, which came in August, upset the copper apple cart. Also, many of the less significant

metals were produced in smaller volume than the year before because they are largely byproducts of our copper mining.

As reported by Mining World in its 1960 Sales Guide, at the end of 1959 New Mexico had 11 open-pit mines producing more than 100 tons of metal ores daily and 13 producing less. Our metal mines totaled 95 (the same as Alaska's). We had 12 flotation plants, two gravity plants, eight leaching and washing mills, five miscellaneous mills, and three smelters. Among the new projects underway in 1959 were five which would cost at least $5 million:

1. American Gypsum was putting up a $3-million plant near Albuquerque.
2. Rio de Oro Uranium Mines was sinking a $150,000 shaft to mine the Parador lease near Grants.
3. Kennecott was spending $1.4 million on the expansion of the leaching plant at Santa Rita.
4. Phillips Petroleum and Quinta Corporation had a $300,000 joint project going, to develop the Church Rock uranium deposits.
5. Lance Corporation (Homestake-Sabre Pinon) was putting out $250,000 on the development of two new uranium mines in the Ambrosia Lake district.

A STRATEGIC INDUSTRY

At a time when much New Mexico mining is at a low ebb, perhaps more attention should be given to its basic worth to the State. Mining, along with wood-products manufacturing and agriculture, is usually recognized as a vital and basic industry. Unless these three industries have big, healthy markets for their related products, the general economy is sure to be unhappily affected.

Under "normal" conditions, mining employees in New Mexico account for 5.34 per cent of our working population, but receive 7.45 per cent of all wages (these figures do not include petroleum workers). When there is a big reduction in mine employees, the result is quickly noticeable in many ways. We can apply a formula used by the New Mexico Mining Association in its testimony before the House Interior and Insular Affairs Committee last June and arrive at some interesting, if hypothetical, figures regarding possible effects of mine layoffs in Grant county, alone.

For counties like Grant, those with one major industry, the U. S. Chamber of Commerce has worked out a formula with which to estimate the importance to such an area of each 100 new workers. (See New Mexico Miner, July 1959.) When we apply that formula in reverse--that is, on the basis of 100 fewer workers in the major industry--we can get some idea of the probable effects upon Grant of the loss of 1,276 metals miners from payrolls between mid-1955 through mid-1959:

$ 7.5 million less in personal income
$ 3.4 million less in bank deposits
$ 4.6 million less spent on retail sales
1,429 fewer households
1,365 fewer automobiles
51 fewer retail establishments
3,777 fewer residents
944 fewer workers in other employment

If we apply the same formula to New Mexico's loss of 1,606 metals miners between mid-1957 and mid-1958, we get these possible results:

$ 9.5 million less in personal income
$ 4.3 million less in bank deposits
$ 5.8 million less in retail sales
1,799 fewer households
1,718 fewer automobiles
64 fewer retail establishments
4,754 fewer residents
1,188 fewer workers in other employment

Of course, not all miners who become victims of mining recessions leave a community. But if every mining employee who got laid off remained where he was, the dollar losses would still largely apply; so would most of the others, to some degree.

Another approach to the matter of overall importance to New Mexico of the State's mining activities--or cessation of those activities--is to take a look at the assessed valuation we put on our mines, producing and nonproducing. The total annual figures for producing mines in recent years have run this way:

1954--$ 68,277,021
1955--$ 75,639,512
1957--$114,425,988
1959--$119,718,715

Figures for nonproducing mines are these:

1954--$1,275,085
1955--$1,011,658
1957--$ 834,276
1959--$ 949,604

Last year, the assessed valuation of New Mexico's producing mines accounted for 22 per cent of the total assessed valuation of the State.

LEGISLATIVE ACTION

There was some legislative aid, national and state, extended to miners in 1959. The Twenty-Fourth New Mexico Legislature sounded a note taken by mining interests as indicative of new

understanding of the strategic spot mining occupies in the State's economy. House Bill 400 set up a severance tax bonding fund, which provided for closer watch on severance tax money and set up a fund for the payment of bonds pledged against the tax. Any surplus goes into the general fund. The mining industry considers the severance tax a discriminatory levy, but was glad to see HB 400 pass.

The Legislature also gave a little tax relief to potash interests, which are uneasily watching the development of Canadian potash deposits. The severance tax rate was not reduced for the potash people, but they now pay the tax on 75 per cent--instead of the former 100 per cent--of the value of their product.

A third bill increased workmen's compensation benefits from the previous $30 a week to $38. This bill, of course, was important to all workers. Stronger safeguards against abuse of the workmen's compensation law were set up, as were stricter requirements for the State Mine Inspector.

On the national scene, late in the summer the House passed Resolution 177, which directed the President to review programs of the Executive Branch in order to use such programs more effectively to provide for increased production and employment in critically depressed segments of the domestic mining and minerals industry. The Resolution further declared that it was the "sense of Congress" that the fostering and encouraging of maintenance and development of a sound and stable mining and minerals industry is always in the national interest.

Uranium

Last year saw a long-awaited and reassuring stability begin to take shape throughout the uranium industry. A new AEC policy designed to stretch out the period--if not the volume--of government purchases made the future somewhat less uncertain.

U.S. AND STATE RECORDS

Production of uranium ore set new highs in the nation and in the State. The national increase was one of 30 per cent over 1958, an impressive gain until one considers what happened in New Mexico. The uranium ore output in this state last year was 70 per cent greater in volume and 69 per cent greater in value than the 1958 output. These are really impressive percentages. And our production of concentrate, although not yet announced, certainly increased substantially over that of the preceding year, for 1959 marked the first full year of operation for all six of our processing plants.

14. U. S. URANIUM PRODUCTION*
1959

State	Tons	Value (add 000s)
NEW MEXICO	3,219,000	$ 54,570
Utah	1,183,000	35,780
Colorado	1,039,000	22,540
Wyoming	755,000	14,230
Idaho, Montana, Oregon, & Washington	275,000	3,090
Arizona	239,000	6,330
South Dakota	46,000	660
Alaska, California, Nevada, & Texas	11,400	900
TOTAL	6,767,400	$138,100

*Preliminary
Source: Atomic Energy Commission

Moreover, of the U. S. total ore tonnage of 6.8 million tons mined in 1959, New Mexico contributed 47 per cent. Of the total value of $138.1 million, New Mexico ore accounted for 40 per cent.

New Mexico's ore production since 1955 has been:

1956--1.1 million tons ($24.1 million)
1957--1.2 million tons ($20.1 million)
1958--1.9 million tons ($32.3 million)
1959--3.2 million tons ($54.6 million)

The increases over 1956 are 191 per cent in volume and 127 per cent in value. Most of the State's uranium ore comes from McKinley and Valencia counties.

In 1958 we turned out 3,603 tons of U_3O_8, for which the AEC paid $65.8 million. The year before, New Mexico concentrate was lumped, in AEC reports, with that from Arizona, South Dakota, Washington, and Wyoming. The nation's domestic production of concentrate in 1958 was about 16,200 tons that year, and it was valued at approximately $300 million. These figures mean that in 1958, before all New Mexico mills were on stream, this state accounted for 29 per cent of the volume and 28 per cent of the value of all U.S. uranium concentrate produced.

DEVELOPMENTS IN 1959

Early in the year extensive ore bodies (the Church Rock) were proved in McKinley county north of Grants. The main ore body was believed at first to be worth about $10 million in 0.30 per cent ore (New Mexico ore currently averages 0.26 per cent). Sabre-Pinon began sinking a shaft to that ore body soon after the deposits were discovered. Later, Phillips Petroleum was able to define a second large Church Rock ore bed, which raised the estimated overall worth to around $23 million. The AEC agreed to buy 450 tons of ore daily from the Phillips operations through 1966.

Church Rock shafts were among several deep ones sunk last year. Development work continued on Anaconda's new ore body (containing some 8 million tons) west of the famous Jackpile mine. Operations also got under way at the Parador property (lessee: Rio de Oro) in the Ambrosia Lake country. Entrada began mining its 1.7-million-ton body, also in Ambrosia Lake territory. In the autumn Homestake Mining Company bought a $1.4-million interest in Lance Corporation's McKinley county property and then later purchased another 25-per cent interest. The two deals extended Homestake participation to all Sabre-Pinon properties in the area.

Up at Shiprock the Kerr-McGee plant was expanded to provide a solvent extraction circuit to recover high-purity vanadium concentrate (about 99 per cent V_2O_5) as well as uranium. At Yucca Mining's operations, a stream of chemicals and water was employed for the first time to pump uranium out of the ground. The method, often used to recover other minerals, was pronounced so successful that Yucca officials were led to predict that its use would cut in half both the time and the cost of mining uranium ore, would assure the recovery of "fringe" pockets ordinarily considered too expensive to mine, and would produce "rare" metals like selenium, beryllium, and vanadium.

NEW AEC POLICY

The AEC's proposal, announced in January, that private companies "stretch out" their production to conform more realistically with anticipated needs for uranium met little enthusiasm but was generally approved, nonetheless. According to AEC Chairman John A. McCone, the AEC wanted to "stretch out purchases of and payments for uranium beyond the period contracted for with long-term suppliers." Although the program would mean curtailing the rate of production, most uranium men agreed that it would also give the industry more time for the development of that much-needed commodity--a strong private market for uranium for the years after 1966. Some tightening up has occurred, with output being slowed and employment being a trifle reduced.

Except in the cases of a few small mills a good many uranium contracts throughout the country were extended last year, with 1966 being the most usual new expiration year. The AEC adopted a policy of holding U. S. purchases on a relatively stable level through 1966. Because of the large U. S. reserves (64 per cent of which are in New Mexico) and because of continually improving mining and milling methods, the U. S. uranium industry is expected to be in a good position to compete with foreign producers when the industrial market really develops.

SPECIFIC CONTRACTS

One of the re-negotiated contracts was that with Kerr-McGee, operators of the 300-ton-a-day mill at Shiprock. The new contract expires at mid-1965 or earlier--whenever the corporation shall have delivered to the commission the maximum number of pounds of concentrate provided by the contract. The mill will continue to operate at the old rate of 300 tons daily. Most of the ore comes from mines on the Navajo Indian Reservation. The Shiprock mill was idle in December, while the new solvent extraction unit was being built.

The AEC contract with Anaconda was also extended through 1966. Under the amended contract, Anaconda's 3,500-ton-a-day Bluewater plant operates six days a week rather than seven, at a rate up to 3,000 tons of crude ore a day instead of the old rate of 3,500 tons. Under the new contract the delivery of 4 million pounds of uranium oxide will be deferred to the 1962-1966 period--a result of the "stretch-out" policy. To implement the contract, Anaconda had to close two mines and the carbonate leach section of its mill on May 1.

NEW MEXICO MILLS

From the standpoint of dollar investments, the four most valuable uranium processing plants in the U. S. are in the Grants area: Anaconda's, $19.4 million; Kermac Nuclear's, $16 million; Phillips Petroleum's, $9.5 million; and Homestake-Sapin's, $9 million. Three of these mills are also the top three in daily capacity: the Anaconda mill with 3,500 tons; the Kermac plant with 3,300; and the Phillips installation with 1,725 tons. Homestake-Sapin's mill ties for fourth place (with that of Uranium Reduction Company of Utah), having a daily capacity of 1,500 tons. The total investment represented by uranium processing plants in New Mexico is $62.3 million; the total daily capacity is 11,075 tons.

THE FUTURE OF THE INDUSTRY

Much research was going on last year in an effort to build up peaceful uses of uranium. About 400 nuclear reactors were in operation or being built or in the planning stage. (Forty-six of these reactors are for naval propulsion.) The time is apparently near when large nuclear power plants of proved efficiency will be able to compete with conventional plants, especially in those areas where mineral fuels are very expensive. The AEC recently testified before the House-Senate Committee on Atomic Energy that utility companies can now build atomic power plants that would be competitive with conventionally produced electricity in certain high-fuel-cost areas. Such ability, according to the AEC, is particularly

true in the case of pressurized water reactors, the most advanced of several potential nuclear power reactors.

AEC Chairman McCone later disclosed the fact that two utilities on the West Coast are considering commercial size atomic power plants. They are currently talking the possibilities over with General Electric and Westinghouse. The utilities are California Edison and Pacific Gas & Electric. The two plants, if built, would have a total power production of from 600,000 to 650,000 kilowatts. Mr. McCone says that GE has submitted a plan whereby it would build a 300,000-kilowatt plant, using a boiling-water reactor. The cost would be $200 per kilowatt. Westinghouse has made a similar offer to build a plant with a pressurized water reactor.

The two utilities are basing their consideration of the atomic plants strictly on the basis of economics and the need to meet growing power demands. Mr. McCone has stated expressly that no federal money would go into the two plants, unless possibly to give some research and development assistance. Fuel charges would be waived, he says.

Noteworthy gains were made in 1959 in the technology of uranium mining and milling, in the construction of reactors, in the manufacture of radiometric instruments, and in the use of radioisotopes in agriculture, industry, and medicine. At least four research centers of the U. S. Bureau of Mines were hunting uses for our mountains of depleted uranium--one mountain range that is growing 24 hours a day. If feasible uses can be found, authorities feel that several thousand tons of such uranium--the byproduct of the enriched uranium produced for the AEC--could be made available to industry every year.

Most of the applications of nuclear power require uranium which has been enriched to form the fissionable U_{235} isotope. Natural uranium is 99.3 per cent U_{238}, but only 0.7 per cent U_{235}. So the isotopes have to be separated, with the result that great quantities of "depleted" uranium are left. If non-nuclear uses for it can only be found, one great, big headache would be eased. Although depleted uranium remains slightly radioactive, it is not fissionable in the same sense as is enriched uranium.

Experiments last year include ones to explore (1) the possibility of blending depleted uranium metal with lead, tin, or copper to produce superior combinations for metal bearings; (2) the possibility of using sacrificial anodes of such uranium to retard galvanic corrosion of pipelines and similar structures constantly exposed to deteriorating circumstances; (3) its use in processes which separate minerals according to individual densities (uranium is one of the world's heaviest minerals); (4) the possibility of using depleted uranium to impart exceptionally high tensile strength to steel; (5) the use of uranium oxide as a catalyst in laboratory-scale refining of oil.

With all the current research into industrial uses of uranium of both kinds, the 1960 outlook for uranium and its related atomic industries includes continuing and increasing activity all along the line. Such an outlook is cheering to New Mexico's uranium industry.

Oil and Gas

In value of annual production, oil and gas ran far ahead of any other segment of New Mexico's mining industry last year: petroleum, $309 million; natural gas, $82 million. The gap was wide between the combined totals of $391 million and the value of potash, the next most lucrative mineral activity, the output of which was worth about $74 million. Such oil and gas figures represent an annual percentage increase in oil value of 5.2 per cent and one in gas value of 3 per cent.

OIL: in the Nation

AN ANNIVERSARY

The U.S. oil industry, which has become more and more important in and to New Mexico, last year celebrated its 100th anniversary. Appropriately enough, in this state the production of oil has increased during the last seven years from a total value of $185 million in 1953 to a value of $309 million in 1959. Seventy million barrels were produced in this state in 1953; nearly 103 million (105.6 million, according to the Oil and Gas Journal) were produced last year. During those years gains were made of 67 per cent in value and 47 per cent in production volume. At the end of 1953 we had approximately 7,320 producing wells. On December 31 last year we had around 13,200.

15. CRUDE OIL AND NATURAL GAS PRODUCTION
New Mexico, 1958 & 1959

	Crude Oil (000s bbls)		Natural Gas (000s MCF)	
	1958	1959	1958	1959
Lea	78,678.4	77,133.1	415,970.6	403,235.7
San Juan	7,379.3	12,296.0	224,684.7	264,294.3
Eddy	6,432.4	7,851.7	12,047.4	15,150.8
Chaves	3,160.2	4,090.0	2,068.6	2,180.0
Rio Arriba	559.4	727.9	70,944.0	77,342.0
Roosevelt	367.8	448.8	363.5	600.7
McKinley	111.3	114.4	0.0	0.0
Sandoval	15.3	11.8	38.6	150.1
TOTAL	96,704.1	102,673.7	726,117.4	762,953.6

Source: N. M. Oil Conservation Commission

16. PRODUCTION AND EMPLOYMENT IN PETROLEUM MINING

New Mexico, 1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
Crude Oil Production (000s of bbls)	1958	8,001	7,324	7,600	7,506	8,208	7,880	8,236	8,445	8,205	8,544	8,212	8,543	96,704
	1959	8,491	7,654	8,588	8,448	8,728	8,551	8,737	8,751	8,460	8,828	8,566	8,872	102,674
Volume of Natural Gas Production (000s MCF)	1958	71,769	64,682	70,995	61,148	58,588	54,078	55,701	53,802	50,071	54,865	61,484	68,934	726,117
	1959	89,137	64,626	59,366	54,578	56,693	57,619	60,182	60,983	60,083	60,495	66,794	72,398	762,954
Employment in Petroleum Mining	1958	11,200	10,800	10,400	10,400	10,700	10,900	10,600	10,300	10,100	10,200	10,200	10,200	10,500*
	1959	9,800	9,800	10,100	9,900	10,300	10,700	10,600	10,400	10,300	10,200	10,500	10,400	10,300*

*Average monthly employment

Sources: N. M. Oil Conservation Commission and N. M. Employment Security Commission

GENERAL RECORD

Certain facts about the oil industry are of special interest. In terms of capitalization, the industry is the nation's second largest, coming next to steel. It is characterized by strong competition and by heavy capital outlays for new and often uncertain ventures. It is perhaps our most complex industry, because of its involvement in worldwide production, refining, transportation, and marketing--factors and activities which must be kept in delicate balance because of the very important difficulty (perhaps the impossibility) of building up and maintaining a large stockpile. Oil has fathered a revolution in our society that is far more extensive than most political upheavals have been. Oil has changed the continent's geography; it has set an estimated 100 million people in motion in one of the greatest mass-migrations of all time; and it has shifted the occupations of a multitude, estimated at half our total population.

MANDATORY IMPORT CONTROLS

Since it would be next to impossible to evaluate the State's oil industry unless general situations obtaining throughout the national industry were understood first, let us consider some of the most significant oil events of 1959. In March the government put an import ceiling on petroleum of 1.4 million barrels a day, about 67 per cent (936,770 barrels) of it in crude. Each domestic company was assigned (1) an allotment of foreign crude based upon that company's respective average refinery run during 1958 and (2) an allotment of finished products, including residual fuel oils, based upon the company's share of the 1957 market. The federal program replaced one of voluntary control under which the President had asked the big international companies to abide by specific import quotas which he set up but which he could not enforce. The voluntary "curbs" had not served to reduce domestic oversupplies, nor had they sufficiently encouraged independent domestic producers to step up their search for additional U.S. oil. The program as a whole had been faltering more and more. So the new mandatory controls went into effect March 11.

RESULTS

The quota system has so far not been successful in solving the problems of the domestic crude oil industry. To begin with, as soon as the announcement of the program was made early in the year, a stampede of the big importers had them stepping on each other's toes as they raced to bring in as much oil as possible before the deadline. Within a week crude imports soared to a record altitude, as 1.3 million barrels a day came in. Of course, quota-controls--once in effect--pushed imports down to the mandatory ceiling.

At the beginning of the new controls oil men were expecting five results in particular: (1) import quotas would boost prices of both crude and finished products; (2) with higher prices, integrated U. S. companies and producers of crude would see their profits grow, while the major international companies would see their profits shrink somewhat; (3) the program might conceivably push foreign prices, already considered "skittish," higher with oil areas like Venezuela and the Arab lands demanding juicier shares of company profits so as to safeguard national revenues; (4) traffic should pick up considerably for U.S. flag tankers, the only oil haulers licensed to move among U. S. ports; (5) the quota program might turn out to be just the first step toward additional government intervention, possibly including even price regulation. Some top men were predicting that the new system would fall of its own weight and should, therefore, be abandoned in favor of increased tariffs.

At Midyear

By July even interested bystanders were aware that several unscheduled developments were taking place. Apparently, the mad race to bring in foreign oil before the quota's deadline had actually served to aggravate rather than ameliorate the oversupply situation. Some companies had been elbowed into mergers. Others were engaging in a thriving program whereby import rights were being bartered for domestic oil and vice versa. Canadian oil--not affected by the quota program--was pouring across the border

and further upsetting some already shaky local markets, while Venezuelan oil was pushing for a favored and quota-free berth alongside that of Canada. Already the ceiling on imports had been raised about 30,000 barrels a day, but most companies east of the Rockies had seen their crude allocations actually cut somewhat. In the seven oil producing Western States the import ceiling had been raised about 15 per cent to 232,876 a day to take care of growing demands.

Late 1959

By November there were a disheartening surplus of crude, a worrisome surplus of refinery capacity, and definitely depressed prices. "Big" petroleum outfits were advising self-restraint in oil drilling and in refinery expansion; "small" firms were contemplating asking Congress to regulate practices both of production and of pricing.

At the end of the year the industry was told that the ceilings would soon go up again by about 80,000 barrels a day of crude and products combined. As before, the biggest share of the increase would go to residual fuel oil. The new ceiling was to come as a result of insistence by major companies that, especially in the East, they could not meet the demand for residual fuel oils. The boost would probably have been as large as 100,000 barrels had not the unhappy coal industry become vocally much more unhappy at the prospect.

OUTLOOK

Despite all these critical problems, the industry had not pitched camp along any wailing wall. Spokesmen with hindsight and foresight stressed the necessity of treating the market's growing pains by adjusting its growth to correspond more realistically with the development of supplies and of refineries. Desire for governmental regulation was limited strictly to the little fellows. Most people hoped (and apparently not idly) that a couple of years would see the problem of oversupply disappear into Limbo. Experts were anticipating a 4-per cent gain in American demand and one of 6 per cent elsewhere. The feeling was that by 1964 or 1965 balance would be restored to refinery capacity. Late in the year refinery runs were being sensibly held down, and individual companies were planning more careful approaches to controlling their own inventories.

It seems, therefore, that 1960 will see continuing mild curtailment of both exploration and refinery expansion. In recent years more than 70 per cent of all capital spending by the industry has gone into searching for and attempting to prove new reserves. Such outlay in 1960 is expected to drop to around 68 per cent of the total. Much effort will go into the search for new markets, into the further expanding of old ones, and into developing more efficient marketing methods. The current key phrase seems to be "greater volume through fewer outlets."

OIL: in the State

1959 RECORD

As if to mark petroleum's 100th birthday as an American industry, output in New Mexico for the first time in history passed the 100-million-barrel mark and outdid the 1958 record by 6 per cent. The percentage increase of 1958 output over that of 1957 had been about 4 per cent. Annual value increases during the last two years were ones of around 4 per cent in 1958 and 5 per cent last year. Average oil employment declined slightly during 1959, dropping from the 1958 monthly average of 10,500 to one of 10,300. The headaches of the national industry seemed almost unfelt in New Mexico.

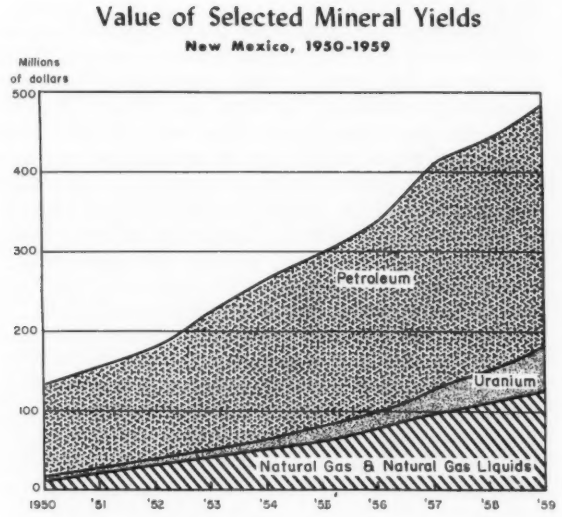
As an example of the rapid pace of exploration and development activities in this state early last year, consider what happened in the Permian Basin during the first quarter. At least four new oil fields were discovered; 42 wildcats yielded six new pays and 14 field wells; development work yielded 168 new field producers. By April 1, five new proved field wells had gone down in

17. DATA ON SELECTED OIL FIELDS
New Mexico, 1959
(thousands of barrels)

Fields	1959 Output	Cumulative Production	Estimated Reserves	Number of Wells
Arrowhead	489	23,170	6,830	97
Bisti-Gallup	6,570	13,159	22,841	352
Bronco	848	4,644	15,356	18
Brunson	519	25,995	14,005	80
*Caprock & East	6,581	38,961	61,039	634
Caudell-Devonian	544	4,702	15,298	15
Dean	733	5,169	19,831	30
*Denton	7,141	69,867	55,133	202
Dollarhide, West	1,855	19,371	20,629	176
Drinkard	1,597	48,003	26,997	460
Empire-Abo	797	903	19,097	40
Eumont	2,843	15,563	34,437	581
*Eunice	1,759	124,039	15,961	296
Eunice South	1,393	17,326	15,674	215
Gladiola	7,046	26,301	33,699	108
Grayburg-Jackson	1,554	41,464	14,536	540
Hare	634	12,690	16,310	83
*Hobbs	3,399	163,424	32,576	326
Horseshoe-Gallup	3,538	4,025	15,975	284
Jalmat	2,167	41,648	48,352	404
Justis	2,209	3,020	26,980	96
Kemnitz-Wolfcamp	1,872	4,143	22,857	36
Langlie-Mattix	2,289	42,743	17,257	802
Lovington & East & West	2,337	32,285	22,715	241
Maljamar	2,730	40,320	29,680	384
*Monument	4,744	157,941	42,059	517
Saunders & South	2,476	16,227	17,773	95
Square Lake	567	9,927	20,073	261
Townsend-Wolfcamp	1,253	12,645	37,355	104
*Vacuum	3,270	88,282	36,718	482

*Fields with ultimate recovery estimated at a minimum of 100 million barrels each

Source: Oil and Gas Journal, January 1960



Chaves; three wildcats and 78 field wells had come through in established fields in Eddy; one wildcat and one field well yielded oil in Roosevelt; and Lea had six new oil discoveries and 88 field completions. Late in April San Juan county got 14 new oil wells in a single week.

During the last week in May, drilling in the Permian was up 25 per cent over the same week in 1958. A total of 396 active rigs was then running. During that time the fourth successful Bluit-field strike of the year was completed, and in southeast Valencia county drilling got under way in the State's new Lucero Oil Basin, believed rich in both oil and uranium. In October an oil discovery described by a Carlsbad newspaper as "of enormous significance" to the area was made in southwest Eddy where there had previously been only gas production.

BIG NEWS

Events making what was probably the most important oil news last year included the upsurge of the Dakota Cretaceous drilling in the San Juan Basin and its accompanying success, expansion of the Abo-reef trend beyond earlier expectations, and the announcement by Malco Refineries that they would not buy any more Abo oil north of the Pecos, because of a reduction in the price of crude. The third Abo-reef field was opened along that basin's northern limits in Lea county. The other two Abo fields are the Empire in Eddy and the Lovington in Lea. Reserves there range from 10,000 to 25,000 barrels an acre. The latest Abo prospect had been almost completed by the end of 1959.

THE 1953-1959 PERIOD

New Mexico's cumulative production of crude oil since the beginning of 1953 passed the 1-billion-barrel mark last year, according to the Oil and Gas Journal. As that publication reports in its summary issue, our annual output has run like this: 1953--70.4 million barrels, 1954--74.8 million, 1955--83 million, 1956--87.9 million, 1957--94.8 million, 1958--98.5 million, and 1959--105.6 million. The expansion has been strong and uninterrupted, and the percentage increase from 1953 to 1959 was nearly 50 per cent. The national increase during the same period has been less than 10 per cent. Three nearby oil states experienced production decreases last year--California, Colorado, and Oklahoma. In the matter of barrels produced per day in 1959, New Mexico ranks seventh among all 25 "oil states." Ahead of us were Texas, Louisiana, California, Oklahoma, Wyoming, and Kansas. Last year's yield per well in this state (again, according to the publication quoted above) was 23.6 barrels a day. The national average per well was 12.2 barrels. The success ratio for New Mexico's wildcat crude oil wells drilled last year was 12.7 per cent, whereas the nation's ratio was 8.7 per cent. As reported by the Oil and Gas Journal (whose figures are preliminary and usually do not agree entirely with final data from the New Mexico Oil Conservation Commission) there were 11 successful wildcats in Lea, nine in Eddy, three in Chaves, one in Roosevelt, one in McKinley, two in Sandoval, and six in San Juan.

encouraging in the extreme. For instance, some observers believe that a whole new industry will be built in the Artesia area because of such changes. Steam from permanent steam generators above ground is being pumped below surface at nearly 300 degrees F. The result is that "old" oil wells, currently producing in meager fashion, are expected to turn into genuine money-makers, again.

OUR OIL BOWLS

Southeastern New Mexico continues to dominate the oil situation in this state. Of the 13,176 oil wells operating in December 1959, as reported by the New Mexico Oil Conservation Commission, 11,946 were in that area, while only 1,230 were in northwestern New Mexico. Our oil wells were distributed in this fashion: 8,377 in Lea county; 2,913 in Eddy; 635 in Chaves; 21 in Roosevelt; 1,075 in San Juan; 90 in Rio Arriba; 53 in McKinley; 12 in Sandoval. These figures represent gains over December 1958 of 454 wells in Lea, 321 in Eddy, 85 in Chaves, four in Roosevelt, 407 in San Juan, 31 in Rio Arriba, three in McKinley, and one in Sandoval.

THE BIG BOYS

The Oil and Gas Journal in its January 1960 issue lists 51 New Mexico fields with 9,506 wells that produced last year at least 1,000 barrels per calendar day. Forty-seven, with 8,626 wells, were in southeastern New Mexico; the other four, with 880 wells, were in the northwestern section. Six of our 51 big fields were described as "giants;" i.e., those with an ultimate primary recovery estimated to be at least 100 million barrels each, no matter what their current daily production. The nation had 221 such giants on record.

New Mexico's six have estimated reserves totaling 243.5 million barrels, 2,457 wells, and a cumulative production through 1959 estimated at 642.5 million barrels. The six giants are the Caprock and East, the Denton, the Eunice, the Monument (last year, the Journal listed the Eunice and the Monument as a single field), the Hobbs, and the Vacuum, all in southeastern New Mexico. The Denton field led in 1959 production, yielding 7.1 million barrels; the Hobbs leads in cumulative production, 163.4 million barrels; the Caprock has the largest estimated reserves, 61 million barrels, and the most wells, 634. Other fields not listed among the giants outran some of them in some categories last year. (See Table 17.) The six giant fields contributed about 26 per cent of last year's production. They are expected to account for something like 40 per cent of the State's estimated ultimate crude recovery of about 2.5 million barrels, and they contain approximately 23 per cent of all our crude reserves.

Natural Gas

NATURAL GAS

Although the Permian Basin dominates the State's oil activity and its gas production, the northwestern section of New Mexico leads in the total number of gas wells operating and in wildcat and development wells completed in 1959. As reported by the New Mexico Oil Conservation Commission, in December 1959 there were 1,220 gassers operating in the southeastern section, 69 more than the year before. Corresponding figures for the northwestern basin were 4,355 wells running, 368 more than the preceding December.

The Gas and Oil Journal has listed four wildcats and 355 development wells as having been completed during 1959. The wildcats were evenly divided between Eddy and San Juan counties; but of the new field wells only 23 were in the Permian Basin, while 332 were in the San Juan. The new field wells were distributed in this manner: one in McKinley, three in Chaves, six in Eddy, 13 in Sandoval, 14 in Lea, 177 in Rio Arriba, and 141 in San Juan.

ANNUAL PRODUCTION

Production in 1958 was set at 654.8 million MCF for the Permian, which came largely from oil operations rather than from wells that are primarily gassers. In contrast, the 1958 yield from the San Juan Basin was only 71.3 million MCF, but most of that yield was from true gas wells. Last year's area production was 684.9 million MCF in the southeast and 78.1 million in the San Juan--gains of 4.6 per cent in the former and of 9.5 per cent in the latter. The value of all natural gas produced in New Mexico last year was 3.2 per cent greater than the year before.

Natural gas marketed through pipelines to consumers in 1959 was 2 per cent larger in volume than in 1958, and natural gas liquids recovered at processing plants were up 19 per cent. A big 29-per cent gain--the largest--was in butane and propane, the liquid-petroleum gases. Phillips Petroleum Company began building a natural gasoline plant near Artesia, one designed to process 35 million cubic feet daily and to recover 100,000 gallons of natural gas liquids. The Phillips plant is scheduled for completion in the fall of 1960. Pan-American Petroleum Corporation announced plans for a 15-million-cubic-feet-a-day plant in the Empire-Abo field, to recover 42,000 gallons of natural gasoline daily.

"FINDS" OF 1959

Perhaps the most important gas discovery in this state last year was that of Pennsylvanian gas west and southwest of Eddy's regular gas fields. Exploration there opened Pennsylvanian gas southwest of Carlsbad and south of Artesia. These shelf-shore areas will certainly see additional deep drilling during 1960. Exploration of the Dakota sands in the San Juan Basin also moved ahead last year. Originally explored for gas, activity now trends more toward oil, but success in both products has been phenomenal from the beginning. The play seems not to be confined to any one limited area, but apparently includes much of the entire Blanco field.

New Mexico is one of 12 states which produce 98.3 per cent of all the nation's natural gas. Cumulative production from 1906 through 1959 in New Mexico has been estimated by the Oil and Gas Journal at around 6,602,659 million cubic feet, which represents 3.88 per cent of the U. S. total. New Mexico was one of the 13 gas states reporting a production gain in 1959 over that of the year before. As the O&GJ listed output by states, Louisiana had an increase of 14.7 per cent, Colorado had one of 9.7 per cent, Texas had a gain of 6.5 per cent, Mississippi's increase was one of 4.2 per cent, Kentucky had a 3.5-per cent increase, West Virginia's gain was 2.0 per cent, that in Wyoming was 1.2 per cent, and Pennsylvania had a gain of 0.6 per cent. According to that publication, New Mexico's annual

increase in yield of natural gas was 2.2 per cent; but when the figures of the Oil Conservation Commission are used we come up with a New Mexico gain of slightly more than 5 per cent.

We had fewer successful gas completions last year than in 1958--132 wells fewer, the biggest drop in actual numbers reported by any gas-producing state. The year also saw a noticeable change, and not a happy one, in our proved gas reserves. At the beginning of the year we had an estimated 21,180 billion cubic feet; at the beginning of 1960 those reserves had dropped 1,680 billion cubic feet to a total of 19,500 billion.

A SLOWING TREND

Both the drop in completions and that in reserves were somewhat typical of the manner in which the national gas industry appeared to be slowing down. No records of any importance were set anywhere. Although marketed production was larger in volume than in 1958, the gain of 6.7 per cent was somewhat under the postwar average. Nationally, gas reserves increased a little, but the rate was much more lethargic than has been generally true during the last 11 years. At the end of 1959 we had reserves representing a volume 22 times the size of our annual consumption. In 1949 such reserves were 33 times the size of the annual consumption. It is fairly obvious to everyone that additional gas reserves must be found.

Producers of natural gas insist that they must be freed--and quickly--from the kind of price regulations under which they and other utilities now operate. They say that the industry does not receive income sufficient to pay for the necessary search for new reserves; therefore, they predict that the time is not too far removed when reserves will have declined so substantially that there will not be gas available to satisfy expanded needs.

Other gas people point, however, to the fact that in several areas pipelines are offering such attractive field prices that exploration is being stimulated. These observers see bright days ahead for the industry.

NATURAL GAS LIQUIDS

Annual production of natural gas liquids was 21,344,000 barrels in 1959. During the year an additional 1.5 million barrels in reserves were discovered. Also, revisions and extensions added 57.6 million; so that 1960 started off with some 417.2 million barrels in reserves, 37.8 million barrels more than on January 1, 1959.

CARBON DIOXIDE GAS

Production of carbon dioxide gas from Union county wells for conversion into liquid carbon dioxide dropped 55 per cent in 1959. Southwestern Minerals Corporation announced that it planned to reopen the liquid carbon dioxide plant at Des Moines in northern Union.

Copper

No segment of the copper industry can exist alone in its own world. What affects the industry as a whole affects all of its parts. The general consensus among copper men at the beginning of 1959 was that things were "a little bit better." At that time, emphasis was being laid upon maintaining the 29-cent price producers had been charging since late October 1958. The industry was also taking due notice of the fact that domestic stocks were fairly low--perhaps too low. Most producers, however, were expecting increased supplies to correct that condition fairly early in the year.

Until September 1958 the red metal had for long weeks been in oversupply. Then scattered strikes occurring throughout the copper world began to curtail stocks just when the industry had thought it could feel a shot in the arm in the form of new demand, as the then current recession began to fade. In January 1959 things looked pretty good. February deliveries to fabricators totaled 120,000 tons, making February one of the best months in more than a year. Also during that same month refiners' stocks were held well below 100,000 tons, compared with more than 250,000 tons in April of 1958.

However, late in March Business Week said that during early 1959 the copper "picture has been more of panic than of improved demand. Buying and pricing now verge on the chaotic. Fears of serious strikes in the domestic mines this year are, of course, at the heart of the present situation. . ."

Early in that month major producers had climaxed a period that had become more skittish than usual by raising the price 1.5 cents a pound to 31.5 cents, highest since June 1957 when the price dropped from 32 to 29.25 cents a pound. The fear of additionally short supplies was raising its head, nudging production upward by three things: considerable unrest near copper properties in Africa, which could flair into strikes, riots, and shutdowns; a strike in Peru at the Cerro de Pasco properties and at Kennecott's Braden mine in Chile; and the danger of strikes for domestic producers when labor contracts expired at midyear, with strikes already underway at Kennecott's Ray mine and its big, new smelter at Hayden, both of them in Arizona.

Another ever-present headache was that caused by the steadily increasing costs of mining copper in the United States. Three factors have been the chief villains: the copper content of ore has been declining steadily for some years now; as a mine is developed under the open-pit method, ore is much harder to reach; and labor and supplies are increasingly expensive.

Early last May the smelter price was 32 cents, and that of primary producers was 31.5 cents. By June those prices were weakening. Soon leading custom smelters also cut their price to 31.5 cents; the reason--customers just were not interested in copper at 32 cents. Since the preceding November, producers had made about 110,000 tons more copper than they had been able to sell to fabricators. The presumption was that the surplus copper was being stockpiled--at least some of it as insurance against shortages that might result from the threatening strikes. But the fear of shortages was not strong enough to support May prices.

That lack of support for the higher prices was not well-founded. Along in August came the strikes, industry-wide and prolonged, with 75 per cent of U. S. capacity curtailed and an estimated loss between mid-August and mid-October of 185,000 tons. Moreover, the strikes were not to end until late December. By then the year's mine production of copper would be down 15 per cent to the lowest annual production in 1947, and output by smelters and refineries from domestic material would be off 20 per cent. All this despite a first-half rate of copper production which had set an all-time high.

NEW MEXICO COPPER

In this state, the copper year got off to a promising start. Through April, for example, the monthly production rate of copper was 24 per cent above that for 1958. Only Utah among the five chief copper states could show a higher rate of increase. Arizona's average was up 16 per cent, Montana's was up 9, Nevada's was 10 per cent higher, and Utah's had gained 31 per cent. Although New Mexico's April production was 18 per cent under that for March, it was still 8 per cent above that during April 1958. The May output of New Mexico mines was 40 per cent higher than the comparable volume the year before. In June the story was the same, a 59-per cent gain. But by July even the layman could see trouble ahead, and in August the big strikes lowered the boom.

The walkout at Kennecott's New Mexico operations--most important copper installations in the State--lasted nearly five months and was the longest in the company's history. According to Kennecott officials, there was a company loss during the fourth quarter of 1959 which amounted to 12 cents a share, with the annual income totaling $5.19 a share in comparison with one totaling $5.44 in 1958.

All in all, the value of copper production in New Mexico dropped off 15.5 per cent last year, declining from a total of $29.2 million in 1958 to $24.7 million in 1959. At the end of fiscal 1959 the annual report of the State Inspector of Mines listed about a dozen copper mines in full operation, three that were temporarily closed, four that had been licensed since July 1958, and two that were being developed. In the matter of production by counties, Grant was, of course, the number-one area, producing 6.5 million tons valued at $35.1 million. Next came Hidalgo, which produced 53,408 tons valued at $711,647. Catron, Santa Fe, and Socorro also produced some copper.

WHAT ABOUT THE FUTURE?

In spite of the strikes, the selling price of copper which was being quoted by primary producers early in December was 33 cents a pound. Custom smelters were quoting about 35 cents or even more for quick delivery. At Chino, within five weeks after the local labor issues had been finally settled on December 24th, mine and mill production was back to normal. There were a few other agreements to be made, but meanwhile workers were continuing to show up under extensions of old contracts.

Kennecott recently spelled out its long-range plans for its New Mexico properties. For the Santa Rita mine there are three general aims: (1) to achieve a daily production of 22,500 tons of ore, while maintaining a stripping ratio of two to one; (2) to expand operations in two areas and begin mining in another; (3) to continue preliminary work for installing a skip. New equipment and better methods are to be used throughout the Santa Rita operation.

At the Hurley mill Kennecott plans to process the 22,500 tons produced daily at Santa Rita and from them to turn out concentrates of a high quality. At the Hurley smelter the plan is to produce an annual average of about 200 tons of high-quality fire-refined copper every day. The company also plans to install better equipment there and to employ more efficient methods. Obviously, copper men in New Mexico have faith in the future.

As far as the general outlook goes, the managing director of the Copper and Brass Research Association, P. E. Veltford, expects the '60s to prove kind to copper. He has predicted that major brass-products markets will continue to be residential construction, automobile manufacturing, air conditioning and refrigeration, electrical appliances, and metal working. Mr. Veltford looks for an expansion of new markets for brass and for copper: water-conversion apparatus, missile nosecones, electronic computers, pleasure boats, and others.

Also, recent technical improvements in brass mills and in their products add rays of light to the general forecast for copper. For example, copper tubing can now be extruded faster, in

18. PRODUCTION AND EMPLOYMENT IN METALS MINING
New Mexico, 1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
Production															
Gold (fine ounces)	1958	195	175	317	387	389	265	287	179	193	72	460	459	3,378	282
	1959	431	287	218	243	280	564	558	164	90	90	95	80	3,100	258
Silver (fine ounces)	1958	13,614	17,034	16,309	19,118	12,446	10,421	8,213	5,762	9,608	7,541	19,467	19,467	159,000	13,250
	1959	16,242	12,170	12,181	12,236	14,511	25,377	18,784	14,414	9,525	9,560	11,000	14,000	170,000	14,167
Copper (short tons)	1958	4,267	5,060	5,127	5,215	4,128	2,415	5,318	4,923	5,578	1,980	5,764	5,765	55,540	4,628
	1959	5,808	5,241	6,824	5,615	5,895	3,800	5,165	954	102	121	125	150	39,800	3,317
Lead (short tons)	1958	154	227	186	228	105	102	22	20	42	na	na	na	1,117	93
	1959	na	na	na	na	na	68	36	91	136	205	200	230	1,000	83
Zinc (short tons)	1958	1,487	1,805	2,272	2,624	117	na	na	na	na	na	359	359	9,034	753
	1959	27	na	na	na	na	na	na	627	794	1,114	1,100	1,120	4,800	400
Employment in Metals Mining	1958	5,000	4,900	4,800	4,600	4,500	4,600	4,800	4,800	4,800	3,900	5,000	5,200	--	4,700
	1959	5,200	5,300	5,300	5,400	5,400	5,500	5,700	5,800	4,600	4,700	5,000	4,900	--	5,200

na - not available
Sources: U. S. Bureau of Mines and N. M. Employment Security Commission

better quality, and in sizes considered absolutely impossible a few years ago.

Copper officials seem determined to hold the price line against any runaway tendencies like those displayed a few years ago. If demand strengthens and stocks are not unduly affected by additional labor troubles, copper in 1960 should experience a much better year than either of the last two.

Coal

In comparison with the good old years of coal mining in New Mexico, 1959 was no great shakes. But it was at least better than 1958. And in an industry that has languished as long as this one has, any improvement in the condition of the patient is a real turn for the better. What is more important--the outlook for the industry seems more cheerful than in some time.

ANNUAL PRODUCTION

Coal production for 1959 (considerably more than one half of which came from Colfax county with about one third coming from McKinley) totaled 134,000 tons (preliminary figure), a volume 15 per cent greater than that of 1958. Despite the fact that such a gain does not begin to fulfill the tremendous increase suggested by weekly gains like that of 200 per cent for the second week of the year in comparison with the same week in 1958, nevertheless, a 15-per cent gain is not inconsiderable. The dollar value of the 1959 output has not been disclosed, but that for production during fiscal 1959 ($722,494) was 7.3 per cent greater than the value of fiscal 1958 coal. If we apply that percentage gain to calendar 1959 production, we arrive at a dollar value of $771,487 compared with $719,000 for calendar 1958. If we apply to last year's total tonnage the 1958 value-per-ton of $6.15, then we get a calendar value of $824,100--an increase of about 15 per cent over 1958.

The bright spots in coal activity last year were the control of the costly fire in Kaiser Steel's Koehler mine in Colfax county, the resumption of production there and of additional expansion, and the opening of Kaiser's Ox Canyon mine in the same area. The fire, which broke out in June 1958, cut Koehler production by 21 per cent and cost the company an estimated $300,000 in damages and in fire-fighting equipment alone. When both the Koehler and the Ox Canyon mines reach full capacity, Kaiser expects an output of about 40,000 tons a month. Such production would mean that the Kaiser operations alone would be the equivalent of an increase of 258 per cent over 1959's total output from all New Mexico coal mines. In addition to these operations, Kaiser Steel is also planning a new and larger mine in the Vermejo Park area. At the end of fiscal 1959 there were 84 employees at Koehler and 18 at Ox Canyon.

At the end of fiscal 1959 Colfax had 10 mines with a total of 139 employees, McKinley county had seven with a total of 40 employees, Rio Arriba mines numbered five with 33 employees, one coal mine each was located in Sandoval (10 workers), San Juan (eight workers), Santa Fe (four workers), and Socorro (14 workers). Total coal mines operating in the State at that time numbered 26, and coal mine employment was approximately 248.

The 1959 totals are infinitesimal when production like that of 1917--New Mexico's best coal year--is examined. Total output that year was 4.1 million tons, and some 4,500 persons were employed. Since 1931, however, production has never again reached even the 2-million-ton level.

By 1949 it was less than 1.5 million, and employment had dropped below 1,500.

HOPE FOR THE FUTURE

In view of New Mexico's estimated recoverable bituminous reserves of more than 30 billion tons (enough to supply the nation 75 years at the 1958 rate of consumption), a look at the general coal situation throughout the nation is always in order. Some observers of the 1959 scene thought they saw glimmerings of light around the edges. The U. S. Bureau of Mines had predicted that by 1980 America's growing population and industrial complex will require the equivalent of a billion tons of coal in new electric energy. The same agency also expects such needs to be met in part by "substantial contributions from the nation's inexhaustible" coal mines. If coal should manage only to continue to supply its present proportion of the total energy market, such national expansion would mean an annual market for more than 800 million tons of coal--twice the volume of the national production in 1958. And if the New Mexico industry could manage to expand at a rate paralleling that of the industry nationally, then our state coal mines could provide at least $2 million a year in production within the next 20 years, exclusive of such accompanying contributions as the earnings of various suppliers and the taxes, payrolls, and dividends paid by firms transporting the coal.

Some observers have professed to see a cost advantage developing for coal over competing fuels, which could result in coal's assuming a larger proportion of steam electric production in this area than in some other areas. The Federal Power Commission has estimated that in 1958 the average cost of coal to utilities in the Mountain States, including New Mexico, was 21.9 cents per million btu, a decrease of 6.3 cents since 1952. By comparison, a comparable amount of oil averaged 25.2 cents, while gas cost 22.7 cents, the latter fuel having increased in cost 6.7 cents since 1952.

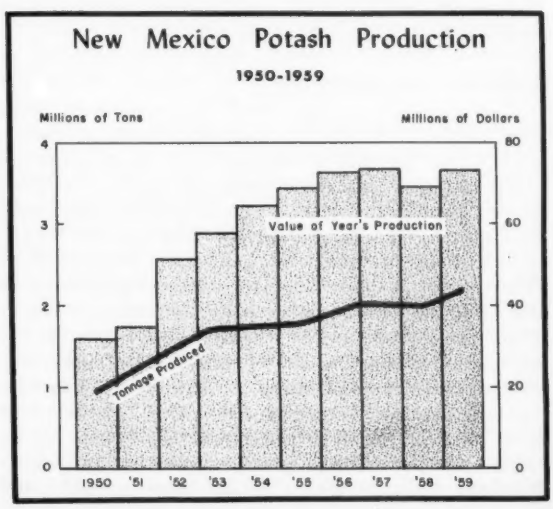
However, coal has a long road to travel before becoming any threat to gas as a fuel for producing electric energy in this part of the country. In May 1959 coal-produced energy accounted for only 1.4 per cent of the New Mexico total and only 6.5 per cent of the Mountain States total. Oil accounted for an even more meager 0.7 per cent in the State and 3.4 per cent in the region. Of the 231.8 million kwh of electric energy produced by New Mexico utilities that month, 4.9 million were by water power and 226.9 million were by fuels: 2,633 tons of coal, 1,946 barrels of oil, but 2.6 million MCF of gas.

Other experts see the next two decades as the greatest coal-demand years the U. S. has ever known. But some coal-bearing areas in this state, notably the San Juan Basin, will need better markets and better means of transportation to all markets if the area is to enjoy the bright prospects now predicted for coal in general. The situation in the Colfax mines is a good example of the close relationship between coal mining and a ready market. The severe decline of Colfax coal mining resulted from the virtually total loss of railroad markets. The recent revitalization of that industry owes its existence to the fact that Kaiser had its own built-in market ready for its own coal.

NATIONAL BATTLE

One thing is certain, the national coal industry showed greater inclination in 1959 to fight competitive industries than it has in a long time. The explanation could be that the fight is almost literally a fight for life. Chief objects of the coal attack have been the residual fuel oil industry, which has been successfully picking off many of coal's best customers among eastern steam plants, and the electric utility industry, which, paradoxically, is also coal's best customer. A freight rate battle between coal companies and residual oil people was joined in late October.

The industry launched an ambitious publicity campaign about the same time as the freight rate controversy. Also, a new coal association, the National Coal Policy Conference (including railroads, unions, and utilities), was organized to give the industry better national public relations. The major aims of coal's freshening battle are three: (1) to tighten the curbs on low-cost residual fuel oil from abroad; (2) to obtain federal restrictions on the use of natural gas; (3) and to see a checkrein established on government aid to the embryonic atomic power industry. Some or all of these goals could conceivably affect the future of the coal industry in this state.



Potash

Described in last year's summary issue as "our faltering mineral," potash recovered during 1959 from its relatively unfavorable economic position of 1958. Value of production rose 7 per cent; marketable tonnage of potassium salts produced in the State increased 11 per cent to total 2.2 million tons, 92 per cent of the national total. The year before, there had been a decrease both in the State and in the nation of 3 per cent.

At the end of the third quarter, apparently the annual volume of potash sold or used would be about 2.5 million tons of K_2O equivalent, a 5-per cent gain over 1958. On June 30 stocks of potash material in producers' hands were 29 per cent smaller than at the beginning of the year and were lower than at any other time since 1953. However, imports were growing and during fiscal 1959 had equaled 14 per cent of all U.S. production.

At the end of the third quarter, deliveries of potash for agricultural use were running 6 per cent above 1958 deliveries. Total deliveries for all purposes had then reached 3.3 million tons of salts with an equivalent of 2 million tons K_2O, a gain of 8 per cent.

However, the shadow of activity in Saskatchewan still loomed large upon the potash horizon. So the Twenty-Fourth New Mexico Legislature gave our potash mines some tax relief, in view of the facts that the Canadian operations are lower-cost ones and possess more extensive deposits. The relief came, not in the form of any reduction in the rate of severance tax, but in a reduction in the proportion of product value on which that tax is paid. Before last year's legislative action, the total value of potash production was subject to the severance tax; now, potash miners pay only on 75 per cent of that value.

In July International Minerals & Chemical Corporation announced plans to spend $1 million for new mining equipment aimed at more efficient mining of narrower ore beds. That company is currently planning ahead for at least as long as the turn of the century, according to reports, with ore extraction adjusted to assure a continuing supply from all mine levels. During 1959 IMC returned mining operation to the 800-foot level, idle since 1948. The company has learned that sylvite deposits increased when operations move north and east on that level. Development crews worked around the clock to open three new entries to the area. Selective mining processes are recovering both sylvite and langbeinite ores. The firm says that it expects to mesh production programs at its Carlsbad operation with those at its new properties in Saskatchewan, gradually

19. ACTIVITY IN POTASH MINING
New Mexico, 1958 & 1959

	PRODUCTION (tons)		EMPLOYMENT	
	1958	1959	1958	1959
January	1,099,129	1,205,508	4,100	3,900
February	978,142	1,067,976	4,100	3,900
March	1,099,078	1,246,239	4,100	4,000
April	1,082,493	1,202,148	4,100	4,100
May	1,132,914	1,191,050	4,000	4,000
June	914,064	1,126,631	4,000	4,000
July	694,572	845,080	3,600	4,000
August	724,123	1,189,461	2,900	4,000
September	1,039,318	1,170,414	3,800	4,000
October	1,148,932	1,171,101	4,000	4,000
November	1,128,450	1,196,014	3,900	4,000
December	1,182,422	1,265,735	4,000	4,100
TOTAL	12,223,637	13,877,357	--	--
Monthly Average	1,018,636	1,156,446	3,900	4,000

Sources: N. M. Bureau of Revenue and N. M. Employment Security Commission

supplying at least a portion of the demand for muriate potash with Canadian ore and placing increasing emphasis at Carlsbad upon langbeinite ore. However, present plans call for continued production of sylvite at Carlsbad for many years to come. IMC's Carlsbad mine is the world's only known source of commercial langbeinite. At the end of the year IMC was planning no vacation shutdown for 1960. The decision was based upon rising volume of sales during the last month of 1959. During the first quarter of fiscal 1959-60 IMC had net earnings of $537,000 compared with a loss of $38,000 during the same period in 1958. At that time sales were running 11 per cent ahead of the year before.

Also late in the year Duval Sulphur and Potash Company was preparing to begin preliminary work on a $4-million expansion program at its mine. Duval began operations in the Carlsbad area in 1952, when a $12-million installation was set up. The company is now working on a program to sink two concrete-lined shafts about 12 miles from their present operations and some five miles north of the plant of the Southwest Potash Corporation. Duval hopes to be producing ore from the supplementary mine early in 1961. The estimated cost of the new shaft exceeds $1 million. Surface installations at both locations are also expected to cost more than $1 million. Ore from the new Duval mine will be shipped by rail to the company's refinery for processing, and the Santa Fe Railway will build a spur to accommodate this freight.

Lead and Zinc

The lead-zinc industry remains precariously situated. Although at the year's end the markets were looking better than most nonferrous observers had thought possible in January, curtailed government stockpiling and stultifying oversupply pressed upon the industry like mountains difficult to move.

Perhaps as important as those two oppressive factors was a third--internecine battling between the two most important segments of the industry, mines and smelters. The battleground is the area of import quotas versus high tariffs. Mining interests do not believe there is any remote chance of getting the high tariffs they think would meet lead-zinc needs; therefore, reportedly they will not hear to the elimination of quotas. Smelter interests want to be rid of the quotas, but want a protective tariff wall instead. The battle will have to be resolved before the Federal Tariff Commission.

MANY MONTHS OF DEPRESSION

Lead and zinc have been sunk in abysmal gloom since mid-1957 when heavy oversupplies, built up to meet the government's stockpiling program, made impossible any easy adjustment to the return of a "normal" market. They have not been without considerable federal aid. Both metals have long enjoyed import duties approximating 1.06 cents a pound on lead metal, 0.75 cents a pound on the metal content of lead ore, 1.31 cents a pound on lead sheet, 0.7 cents on zinc metal, 0.6 cents on the metal content of zinc ore, and 1 cent on zinc sheets. For most of the postwar period the government conducted lead-zinc stockpiling, set up originally as a defense measure, but eventually continued largely to support the industry. In October 1958 by Presidential proclamation quotas were slapped onto imports of the two ores. The measure was a compromise, resulting from a "partisan deadlock" in the Tariff Commission. Monthly lead imports were reduced by the quotas to a level 44 per cent under the January-June 1958 average; zinc imports were restricted by 25 per cent.

Despite this three-fold assistance, the industry is admittedly in a bad way. According to estimates of the six major smelting companies, the extent of the government stockpiling program from 1948 through 1958 was 1.4 million tons of zinc and 975,000 tons of lead. The trade is confident that the price for these vast purchases was better than 13 cents a pound; therefore, the program represents zinc worth a minimum of $373.9 million and lead worth a minimum of $253.5 million. The cutting off of such aid, as many lead-zinc people saw it, was practically catastrophic in its effect. In fact, the smelting companies laid it on the line in the late summer, declaring that they felt the import quotas imposed by the President had caused "major dislocations of lead-zinc raw-material supplies . . . financial hardship, and metallurgical difficulties to the domestic smelting industry."

CONFLICTING "REMEDIES"

The plea from smelting interests was for abandonment of the quota program in favor of one based upon higher tariffs. They say that they must have more ore if they are to remain in business. They claim that increased domestic mine production would probably help them little, since most of the best U.S. mines belong to firms which smelt their own ores. The smelting companies dream of a Utopian situation in which ores are low duty imports, while imports of the finished (and, therefore, competitive) metals would be held down by high tariffs.

On the other hand, mining interests--at least, as they expressed themselves at the American Mining Congress in September--feel that domestic smelters have as much foreign ore as they need and that ending quotas would not guarantee a tariff program adequate to the needs of lead-zinc mines. The miners would be glad to go along with quota abandonment, if such tariffs could be assured; but grave doubts exist regarding such a possibility. Mining interests say it is much harder for them to compete successfully with foreign mining outfits than it is for domestic smelters to hold their own against foreign smelting companies. As Business Week summarized the two conflicting viewpoints (October 17, 1959):

"Smelters say if ore is brought in, rather than metal, its smelting in the U.S. raises the national income and employment. But the miners fear an increase in ore imports will be at the expense of U.S. miners."

1959 PRICES

Prices slipped up and down a cent or so during the year, those for both ores hovering around 12 cents a pound. Occasionally, the markets weakened; occasionally, they firmed. Following the imposition of the import quotas in the fall of 1958, lead had scored a few small but encouraging gains. Improvement was short-lived, however. Lead purchases soon lagged all along the line, with old customers, except construction, showing an extreme lack of interest in buying. Part of the demand from construction originated in the need for shielding for nuclear reactors. Fairly early in 1959 the price of lead declined, sparked chiefly by the lagging demand and by lowered foreign quotations, which constituted an unrealistic differential between foreign and domestic prices. The first drop was one of a cent to 12

cents a pound. Soon the price was down to 11 cents, erasing a major portion of the gains of the previous fall.

In May a significant move occurred in the form of a decision by lead and zinc member nations of the U. N. to curtail supplies in an effort to reduce the surplus anticipated for the remainder of 1959. Partly because of this decision the price of lead moved up half a cent from the year's low of 11.5 cents, and purchases were the heaviest in months. Zinc's price was not changed, but its market was strengthened. American Zinc-Lead and Smelting Company announced about the same time that it would curtail production of zinc 5 per cent beginning July 1.

Demand for lead grew heavy enough before the industry strikes of the summer, so that September saw the price move up to 13 cents. The end of the strikes at primary refineries pushed the price down again to 12 cents, where it stood at the end of the year. National output of recoverable lead was 5 per cent less than in 1958--the smallest production by domestic mines since 1900.

Generally speaking, zinc had a somewhat less harrowing year. At the beginning of 1959, prime Western zinc was priced at 11.5 cents a pound at the East St. Louis market and 12 cents for delivery in New York. The price reached 13 cents in October as the result of increased consumption, continuing import quotas, and strikes. At the end of the year the price was 12.5 cents. National production edged up 1 per cent over 1958's, but was still the second smallest annual output since 1933.

IN NEW MEXICO

The Empire Zinc Division of the New Jersey Zinc Company, one of the oldest mining companies in Grant county, reopened its Hanover operations early in August after about 14 months of inactivity there. The resumption of work there was greatly encouraging to lead-zinc people in the Silver City area. In December underground work was resumed at Hanover and was expected to last at least six months. Ore produced by Empire Zinc from the Hanover mine and other ore produced by lessees Patten & Galassini from the Lynchburg mine were treated at the Hanover mill. Lead and zinc recovered from this milling operation accounted for most of the State's output of the two metals in 1959.

In October American Zinc-Lead & Smelting Company and Hydrometals, Inc. announced that they were planning a joint program to develop and exploit the mineral resources and the mining and milling facilities of the Peru Mining Company at Silver City, formerly a wholly owned subsidiary of Hydrometals. The developmental work, including exploration for new reserves, was already in progress at the time of the announcement. The Peru properties, which include a modern concentrating plant, have not been in operation for about three years because of low zinc prices. The plan as announced is to convert concentrates into slab zinc at American's smelter in Dumas, Texas. This venture represents American's first southwestern operation.

As an indication of the fact that lead-zinc people have not despaired of future improvement, Howard I. Young, president of American sees a "steadily growing demand for zinc throughout the world in the years ahead. With the development and modernization of the Peru mining properties, I expect," says Mr. Young, "those properties to become an efficient and major U. S. supplier of high-grade ores. American is also very pleased to play a part in the production of the remarkable new alloy 'Hydro-T-Metal.' With its amazing structural strength, stability, and scope, T-Metal will create, I am confident, very important new markets for zinc-based sheet metal that will benefit the entire zinc industry."

Other experts say that zinc demand has really been good and will continue to be good--even to grow stronger--in the future. Galvanizing use of zinc is at an all-time high, they say. Also according to authoritative observers, lead production should remain at least about the same in the immediate future, but new mines are being developed and should assure increased production and lower cost.

BETTER DAYS

Lead and zinc production have been extremely important in the economy of New Mexico. Except for the low production of both in 1954, annual output for the years 1949-1957 averaged 31,440 tons of zinc and 4,906 tons of lead. By contrast zinc production in 1958 totaled only 9,034 tons, while that of lead amounted to only 1,117 tons. Last year zinc tonnage dropped even farther, down to 4,800 tons, and lead tonnage was a mere 1,000 tons. There occurred a percentage decrease in the value of lead production last year of nearly 9 per cent. The value of zinc, which nationally showed a slight increase, dropped in this state nearly 41 per cent.

Early in 1952 lead-zinc employment was approximately 1,200. Following the 1953 price break, 75 per cent of that employment was laid off. After the second price break in 1957, production began to decline drastically, and by the end of the year the industry was the same as closed. Resumption of operations at Hanover and the plans for expansion and use of the Peru facilities could mean better things ahead for lead and zinc in New Mexico.

Cement

Cement production made news for the first time in the State's history. In mid-June the $14-million plant of Ideal Cement Company, 16 miles east of Albuquerque, was formally dedicated. Within five months, the company announced a $7-million expansion program, which will double the annual capacity, bringing it to 2.5 million barrels. The value and the volume of cement production in New Mexico are not disclosed by the U. S. Bureau of Mines. But from May on--a month before actual dedication of Ideal's installation--New Mexico was listed by the Bureau as a cement-producing state. That same month production credited to Colorado, Arizona, Utah, and New Mexico jumped to 902,000 barrels compared with April's total of 800,000 barrels credited to the first three states. And the fact that an enormous expansion program was almost immediately announced by Ideal indicates that cement has taken an important place in the mineral production of this state.

THE STATE MARKET

The local market for cement has undergone impressive growth in recent years. Imports into New Mexico of portland cement have been growing steadily. In 1956 a total of 2 million barrels was sent in; the number in 1957 was 2.2 million; that in 1958 was 2.4 million. During the 12 months ending February 1959 such shipments reached 2.6 million; during the year ending with April a total of 2.8 million barrels came into the State, representing an increase of 27 per cent over the 1957 figures. By the end of last November shipments of cement from cement mills to destinations within New Mexico were 35 per cent larger in volume than those during the corresponding 11 months of 1958.

Gypsum

Another newcomer to the minerals picture in New Mexico is gypsum, that material so important to the building trade. Most gypsum building products, especially the high-value prefabricated materials used in residential construction, have increased in value along with the upsurge of residential building throughout the country. In this state 1959 saw the beginning of our first gypsum wallboard plant with an annual capacity to produce 120 million square feet of wallboard. Begun in October, this installation, that of Kaiser Gypsum Company, is located near a high-grade deposit of gypsum at Rosario, between Albuquerque and Santa Fe. The estimated cost of the plant is $3.5 million. It is to be completed in May of 1960. Before the end of 1959 warehousing facilities, installation of the power plant line, and a rail spur of the Santa Fe had all been finished. The plant will have an annual production capacity of 120,000 tons of gypsum building products.

Also in the books was another gypsum plant to be erected by the American Gypsum Company. This plant is to be started during 1960 and will be located a few miles north of Albuquerque.

Perlite

A comparative newcomer to the "mineral" industry (though actually a rock instead of a mineral), perlite continues to add its bit to the economic well-being of New Mexico mining. Consistently second in production value among nonmetallics, it has now become a genuinely important industry in the State, especially in northern Taos county.

A GOOD YEAR

Production in 1959 was an estimated 216,000 tons and was larger by 7 per cent than the perlite mined in 1958. (Note: These are preliminary figures from the U. S. Bureau of Mines. The Perlite Section in the summary issue of New Mexico Business a year ago unknowingly incorporated into the discussion a very serious typographical error from the Forty-Sixth Annual Report of the New Mexico Inspector of Mines, which raised perlite production for fiscal 1958 to 1 million tons instead of the correct figure of 352,139 tons.) Production value of perlite last year approached the $2-million point, gaining 9.2 per cent over the year before. Most of this increase was achieved during the second half of the year, with fiscal 1959 actually showing a value decrease of $43,447. In 1958 New Mexico supplied approximately 69 per cent of all the perlite mined in the nation.

TAOS ACTIVITIES

The first carload of perlite rolled from Taos county's fourth mill (United Perlite's No Agua mill near Tres Piedras) late in March. If output has not already reached such volume, the expectation is that soon the four Taos mills will account for more than 65 per cent of all U. S. perlite production. During July 307 carloads of perlite were shipped from the four northern New Mexico mills alone. Deposits in Taos county have an estimated minimum value, at $1 a ton, of $1.5 million.

Late in the year the F. E. Schundler mine at No Agua (perlite pioneer in the area) was acquired by Johns-Manville, to be operated by the J-M Celite Division.

The president of United Perlite has expressed great faith in the future of the industry in northern New Mexico. Shortly before UP's big mill went on stream the state press quoted the president as saying:

"There is an expanding market for our product, and new uses for this unusual ore are being found all the time. Northern Taos county has almost unlimited deposits. On United Perlite's claim alone we have drilled only a very small percentage of our land, but have proved up over a 20-year supply of the ore.

"North Taos county deposits enjoy two very significant advantages over perlite ore bodies found farther west: the ore is of high quality, and the location results in definite freight-rate advantages."

CONSISTENT EXPANSION

Certainly, our perlite industry has shown almost steady growth for several years. In the matter of annual production, only 1956 among the years since figures were first released to the public in 1953 has shown a drop. Percentage annual gains have been these: 1954, 39.3 per cent; 1955, 19.4 per cent; 1957, 4.4 per cent; 1958, 19.1 per cent; and 1959, 9.2 per cent.

Miscellaneous Minerals

HELIUM

The Navajo helium plant of the U. S. Bureau of Mines, located at Shiprock, was reopened August 1. The plant has been idle since October 1958 because of an inadequate supply of helium-bearing gas. Pan-American Petroleum Corporation supplies the natural gas (which contains 5.8 per cent helium and comes from a new gas well) through an eight-mile pipeline. Monthly output was 3.5 million cubic feet of helium for a total in 1959 of 14.3 million cubic feet, valued at $221,000. This annual production represented a 52-per cent decrease from that of 1958. But it was encouraging, nevertheless, to see the plant reopen.

The Navajo installation began operating in 1944 and had produced 280 million cubic feet of helium before it was placed on standby status in 1958. New Mexico's Rattlesnake field from which most New Mexico helium has come was discovered in mid-1942. The plant nearby has a capacity of 4 million cubic feet a month, but it has been operated only on limited and often-interrupted schedules. In 1956 the output was 75,257 MCF, an amount placing helium among the State's major minerals that year. In 1957, however, the value of our helium began to decline, because of water encroachment in the gas wells.

Without helium no country could explore or conquer outer space. Because of its many unique properties, it has become a truly strategic material. At normal atmospheric pressure and 60 degrees F., 1,000 cubic feet of helium weighs only about 10.5 pounds, but provides a lift of more than 65 pounds in air, almost that of hydrogen. Helium diffuses more rapidly, flows through a hole faster, conducts heat better, and transmits sound at higher velocity than does any other gas except hydrogen. It conducts electricity better than any other gas except neon and has a lower solubility in water and in other liquids, a lower refractive index, and a lower temperature of liquefaction than any other gas.

Long used in lighter-than-air craft like dirigibles, helium is required--in "blankets"--for the welding of light alloys for the manufacture of jet planes and rockets. The new, light-weight metals zirconium and titanium can be manufactured only in a helium atmosphere. Other gases like oxygen and hydrogen can be liquefied and kept refrigerated by helium cooled into a liquid state at -452 degrees F. Metals used in complex electronic units can also be refrigerated by helium. The gas is employed in the tracer element in determining the underground movement of injected gas in oil and gas fields and in detecting leaks in high-pressure and high-vacuum systems. Helium is also an important medical gas. With the constantly increasing importance of the gas, New Mexico can be glad, indeed, that the Shiprock plant is once more on stream and that new indications of helium within the State have been uncovered.

MOLYBDENUM

During the last ten years this state has produced approximately 7,041 tons of molybdenum, valued at $8.8 million. The biggest production year was 1955, when "moly" worth $1.2 million was mined here. There was almost steady increase in tonnage and in value of production throughout the decade until 1956, when there was a slight drop followed by two more decreases in the next two years. Last year, however, brought a value increase of 11 per cent over 1958 production, and the outlook is promising.

In the spring of 1959 the Molybdenum Corporation of America announced that it was spending between $3 and $5 million on an intensive core-drilling program to prove reserves in its big claims in the Red River area. If sufficient ore is found the corporation plans a $50-million expansion there. Results of the exploration have not yet been announced; however, operations at the Red River testing area are continuing, and it

is believed that the corporation intends to carry out its enormous expansion program. At mid-year the mine was operating with a $450,000 annual payroll, according to the New Mexico Miner. If operations in the Red River Canyon are increased substantially, molybdenum could come to mean a great deal more to the State than it has in the past.

The ore continues its strong position as a leading ferroalloy. Many hundreds of thousands of dollars have gone into the development and creation of new uses for "moly," particularly as a high-temperature refractory metal for use in jet engines, air frames, and missiles. During 1959 the U.S. Bureau of Mines created shaped molybdenum castings that are expected to speed space exploration and the development of missiles in general. So far most of the world's supplies come from the neighbor states of Colorado, Arizona, and Utah; and almost all of New Mexico's has come as a byproduct of copper mining in Grant county. But if the Red River Canyon project proves reserves as rich as its owners apparently hope, New Mexico may get into the picture within the next few months.

FLUORSPAR

The revival of New Mexico's fluorspar industry so long hoped for has not yet materialized. In 1953 the value of our production of fluorspar was set at more than $800,000. But there has been no production in the State since 1954. Mining men say that domestic fluorspar has been priced out of the market by foreign competition. Last spring there were efforts to obtain federal aid for the industry, along with assistance to other non-ferrous metals. But very little came of the efforts. In June the area around Silver City was hopeful that there might be some revival of fluorspar activity there. A Texas firm had expressed interest both in buying fluorspar ore and in stockpiling it in Silver City. But neither the report of the State Inspector of Mines nor that of the U. S. Bureau of Mines records any fluorspar production for us during 1959. The tabulation below gives some idea of the importance of this mineral to the State from 1947 through 1954:

Year	Production (short tons)	Valuation	Employment
1947	18,018	$185,063	101
1948	28,532	291,309	114
1949	16,524	326,668	148
1950	18,939	322,162	110
1951	41,462	417,884	173
1952	19,426	650,146	186
1953	24,300	803,463	116
1954	20,470	689,660	65

THORIUM

The young thorium industry in New Mexico was dealt a severe blow late in the year. A New Mexico company, calling itself the New Mexico Thorium Corporation, was organized early in 1959 and began a new mill at Capitan. The mill was the only one of its kind in the nation and required much specially built equipment. When it was nearly ready to start operations, it was completely destroyed by fire, with a resulting loss of approximately $125,000. This mill is to be rebuilt, and when it is completed its initial processing capacity will be 50 tons a day; but each section of the plant is to be so constructed that it can be added to in order to increase capacity several times over, when and if the need arises. An estimated force of 15 full-time employees will be required to conduct the entire Capitan operation--mining, transporting, and processing. The fact that the mill requires specially built equipment means, of course, that its day of initial production is necessarily postponed now for several months.

Thorium is one of only two fissionable raw materials which occur naturally. Although the AEC has given little attention to the possibilities of thorium, last year that agency did begin a program designed to evaluate the commercial possibilities of thorium in breeder reactors. At that time the AEC had made no purchases of thorite concentrates. Should the use of thorium in power reactors prove to be economically feasible, it is fairly certain that an important world market would develop quickly. The western United States is considered fortunate in that it possesses extensive deposits of thorium. So far, Idaho and Colorado are believed to have the largest reserves; but deposits do occur in at least two areas in New Mexico--the Petaca and the Picuris regions in Rio Arriba county and in the La Bajada Hill area in Santa Fe county.

IRON ORES

The chief sources of iron ore in New Mexico have been the Fierro mine in Grant and smaller deposits in Lincoln and Socorro counties. Although between 1891 and 1930 the State produced 5.3 million long tons of iron ore valued at $9.1 million, activities since that time have been spasmodic. Between 1931 and 1954, production totaled only 430,800 tons with a value of $1.1 million. During World War II iron mining was revived in New Mexico, with wartime production totaling 164,739 tons. During the 1950s such operations slowed almost to a standstill. In fact, in fiscal 1958 we produced no iron ore at all. Production last year totaled 195 tons, all of which came from Grant county.

For a good portion of last year the General Mining and Milling Corporation of Colorado was

developing iron ore claims at Hanover and was producing about 1,000 tons of ore a week. The company was then buying ore from independent leasers in addition to that produced by its own properties, which were being extensively developed. The steel strike also had a drastic effect upon operations at Hanover.

Magniferous iron ore in the State has come largely from the Boston Hill deposits near Silver City, which have been mined since the 1890s. The highest output there was that for 1943--about 105,000 tons. After the war a slow decline set in, which lasted through 1953, when production was down to 42,000 tons. In 1954 the drop was drastic--to 8,200 tons. Since then, fiscal-year output (all of it from Grant county) has been as follows: 1955--28,000 tons, 1956--37,400 tons, 1957--30,059 tons, 1958--7,981 tons, and 1959--38,135 tons. During calendar 1959 approximately the same quantity of magniferous ore (which contains about 9 per cent manganese and 36 per cent iron) was shipped from the Boston Hill Mines to the Colorado Fuel and Iron Corporation in Pueblo as was sent there in 1958. Production would have been considerably greater in volume if the steelworkers at Pueblo had not been involved in the nationwide strike lasting from July through October, when of necessity mining operations were also suspended.

OTHERS

Vanadium is another metal that is receiving widespread research attention for use in high-temperature aircraft and missile applications. Western states are capable of supplying sufficient vanadium to take care of all forseeable needs. Byproduct recovery from uranium plants can be increased, if need be. Also, western phosphate ores could be a source of byproduct vanadium, and the low-grade vanadiferous shales of certain states could be mined for vanadium content.

Vanadium oxide was recovered from some of the uranium ores in San Juan county which contained quantities of vanadium large enough to warrant the cost of recovery. The production of such oxide recovered from New Mexico ores last year was 66 per cent greater than in 1958. Kerr-McGee's uranium mill at Shiprock was expanded to produce high-purity vanadium concentrate.

Production of manganese ore in 1959, shipped under the government's "carlot" purchase program, was about the same size as was 1958's production. Output would have made a record last year, if the "carlot" program had not ended in September.

Beryl ore produced in this state in 1959 fell from 27 tons the year before to 10 tons. The State's source of beryl is the Harding mine near Dixon, which was taken over during the year by the Cordillera Mining Company.

Almost no mica was produced last year. Only a small amount of full-trimmed mica from the Apache and Globe mines went from New Mexico to a government depot in the South. Mica operations were of short duration last year.

Last year's production of gold and silver--as usual, largely byproducts of other operations--was not impressive. Although there was an increase of nearly 7 per cent in silver output, the total value of such production was only $154,000 compared, for example, with $1 million in 1940. Gold mined in New Mexico in 1959 showed a value decrease of 8.5 per cent. The year's total value was $108,000, in comparison with a corresponding value in 1938 of $1.5 million. In physical size our production of recoverable silver last year came to 170,000 troy ounces; that of gold totaled 3,100 troy ounces. In 1940 New Mexico mined 1.4 million ounces of silver, and in 1938 produced 43,050 of gold.

Miscellaneous nonmetallic production, including gravel, sand, rock ballast, pumice, etc., is set forth in Table 13. Output of screened sand and gravel was second in value last year among our nonmetallics, ranking next to that of potash. Value of crushed stone came fourth, following that of perlite.

--M.I.M.

Manufacturing

New Mexico's manufacturing industries continued their postwar expansion in 1959 by registering gains in the number of workers employed, the amount of income generated, and the variety of things they produced.

LEADING THE FIELD

Wage employment in manufacturing plants showed the largest percentage increase of all major industry groups during 1959, and it was the largest gain made by manufacturing in any

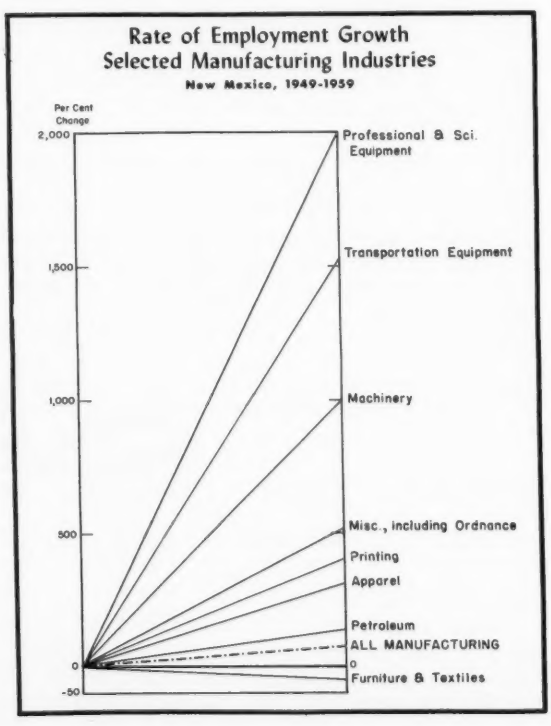
postwar year except 1956 (following a decline in 1954). Rising employment was accompanied by rising weekly earnings, with the result that income from manufacturing reached an all-time high. What is more significant is the fact that a part of this growth was accounted for by the establishment of plants making products entirely new to New Mexico manufacturing.

PATTERNS WITHIN THE INDUSTRY

Examination of columns 4 and 5 of Table 20 will show that the leader in manufacturing growth from midyear 1958 to midyear 1959 was the transportation equipment group, which provided a third of the total gain in manufacturing. The bulk of this gain was the result of activities by the aircraft companies, whose employment in New Mexico is confined to research and development work on missiles, primarily in the Alamogordo area.

Another quarter of the total manufacturing gain was provided by the stone, clay, and glass products group. Most of the increase in this group was accounted for by the ready-mix concrete operators and concrete block producers, whose enlarged operations reflected the booming condition of the construction industry, particularly at midyear. Substantial contributions, however, were made by new firms. Two glass products firms--a type entirely new in the State--were established during 1959. American Cement Pipe Company opened its new plant in Albuquerque. Ideal Cement also began operations at Tijeras, near Albuquerque, (although the June figures do not reflect its full employment). The past year also marked the beginning of construction on two gypsum products plants, the activities of which will bring a further expansion of employment in this category of manufacturing.

Lumber and wood products (except furniture) ranked third in employment gains among manufacturers. However, it should be noted that this gain represented a partial recovery from the postwar low level of operations in the sawmills and planing mills which occurred in 1958. Despite last year's increase, the industry was employing fewer people than it did in either 1950 or 1956. A more cheerful note was provided by announcements during the year of new mills for Socorro Timber and Lumber Company and the O & T Planing Mill Company of Alamogordo.



Of particular interest to this Bureau, since it is conducting an extensive research into the possibilities of the industry's expansion, is the fact that food manufacturing chalked up a respectable 6-per cent gain, most of it in meat packing. The year saw the opening of a sausage casings plant in Portales, a new meat packing plant in Alamogordo (whose employment is not reflected in the June figures), and the expansion of Glover's meat packing plant in Roswell. As the year closed, a national meat packer announced that it would establish a plant at Grants. A 10-per cent gain in beverage bottling also contributed to the growth of food manufacturing employment, as did lesser expansion in dairy products, bakeries, and grain mills.

Although the actual number of workers added in metals manufacturing was not large as compared with the additions in transportation equipment, the percentage gain--26 per cent--was remarkable. The bulk of the numerical increase was in smelting; but there was also a substantial gain in fabricated structural products, partly as the result of the establishment of at least three new plants making such diverse products as blowpipe and concrete drills.

Manufacture of machinery (both electrical and nonelectrical) showed small numerical--but significant percentage--gains in 1959, and it did so despite a decrease in electrical machinery other than electronic components. The nonelectrical group marked up a 12-per cent gain. It should be even larger when Southwest Engineering and Machinery, which started a half-million-dollar plant at Carlsbad, gets into full production. What may be more significant for the future growth of the State's manufacturing was the gain shown by the electronics group. This infant industry added a new plant--producing TV tubes--and 56

workers, a 55-per cent increase, between mid-1958 and mid-1959, the period for which the comparison in the table is shown. Another new concern, Electronic Components Corporation, has announced that its plant at Socorro would be in production by January 1960.

Other developments in manufacturing included two new establishments making ophthalmic goods, one making Hawaiian organs, one producing cement novelties, three making brooms and brushes, and one making venetian blinds. The manufacture of sporting boats and camp trailers was begun in Grants during the year, but production was interrupted by a fire, which burned out the plant. A small arms plant in Las Cruces brought to three the number of ordnance manufacturers now in the State. Auburn Rubber Company started construction on a $4.5-million building at Deming, the third new industry to be brought to that town under the provisions of the State's municipal bonding law.

MUNICIPAL BONDING LAW

Although Deming is apparently the only community in the State which thus far has made effective use of the municipal bonding law to attract new industry, the drive for industrial development has led to the formation of local industrial development foundations in several other communities, including Alamogordo (which was the first), Artesia, Carlsbad, Farmington, and Las Cruces; and at last report another was on the verge of organization in Clayton.

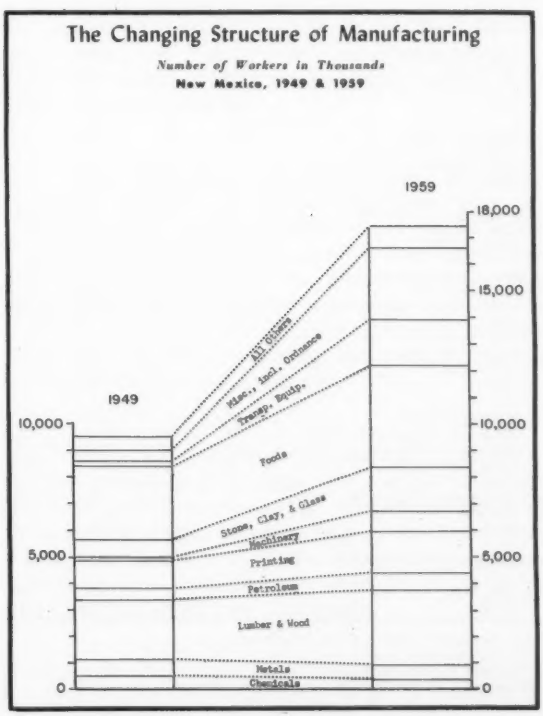
The activities of these groups, together with those of the State's Economic Development Division, reached a new high during 1959. Whether such activities can effectively change the long-term course of an area's economic development will probably always be a moot point, but one cannot question either the popularity of such efforts or the fact that they serve to focus attention on many of the economic problems of individual areas.

The encouraging growth in the State's manufacturing industries has not included certain groups. Textiles and apparel both declined. Petroleum refining hit a severe slump at midyear, but the most recent estimates of the Employment Security Commission peg December employment at approximately 900 workers. Chemical manufacturing also dropped between mid-1958 and mid-1959.

TEN-YEAR PICTURE

A somewhat better picture of the growth of manufacturing in New Mexico, provided by the first five columns of Table 20, makes possible a 10-year comparison of the number of establishments and workers in each manufacturing group. The decade's growth has been quite unevenly distributed among the several groups. The existing differentials are most revealing in any consideration of the sources of growth, the resources upon which it is based, the markets for the State's manufactured products, and the impact upon its economy of the postwar developments in manufacturing.

Growth may be viewed from two points of view: in terms of absolute magnitudes (in this case, number of workers) and in terms of rates, expressed as percentages of the magnitudes in the base period (in this case, 1949). The impact upon the economy is probably better measured in terms of number of workers. Viewed in this manner, the 10-year growth of manufacturing in New Mexico has provided jobs for nearly 8,000 more workers and has brought important changes in the structure of manufacturing and in the State's economy. In 1949 manufacturing accounted for 6.4 per cent of all nonagricultural wage employment. In 1959 it provided 7.1 per cent. While this small increase may not seem significant, it occurred at the same time that manufacturing's share of the nation's nonagricultural wage employment declined from 32.3 to 31.3 per cent.



In order of the numerical contribution (rounded to the nearest 10 workers) each made to our increased employment, the several manufacturing groups ranked in this fashion (with their share of the total gain in parentheses):

Other manufacturing (the bulk of which is in ordnance)	2,160	(28%)
Transportation equipment (primarily aircraft)	1,650	(21%)
Food products	960	(12%)
Stone, clay, & glass products	910	(12%)
Machinery (including electrical)	710	(9%)
Petroleum & coal products	540	(7%)
Metal products	490	(6%)
Printing & publishing	410	(5%)
Apparel	340	(4%)
Prof. & sci. equipment	230	(3%)
Leather products	60	(1%)
Chemical products	-40	(*)
Textile mill products	-50	(-1%)
Furniture	-90	(-1%)
Lumber & wood products	-450	(-6%)

*Less than 0.5 per cent

20. GROWTH AND STRUCTURE OF NEW MEXICO MANUFACTURING
1949, 1958, & 1959

	Establishments June		Employees June			Wages Paid (add 000s)			Per Cent of Total	Average Weekly Earnings in 1959(2)	
	1949	1959	1949	1958	1959	1949	1958	1959(1)	in 1959	Amount	Rank
ALL MANUFACTURERS	668	729	9,610	15,979	17,430	$22,761	$73,527	$85,806	100.0	$ 98.44	
Food, Total	181	149	2,708	3,467	3,670	6,213	13,567	14,790	17.2	78.90	10
Meat	16	21	328	469	550	876	1,994	2,267	2.6	76.63	
Dairy	49	27	833	1,103	1,131	2,036	4,384	4,779	5.6	80.80	
Grain	11	14	142	243	253	351	1,007	1,047	1.2	76.37	
Bakery	35	27	595	691	716	1,471	2,816	3,092	3.6	83.61	
Beverage	40	34	425	540	593	911	1,938	2,129	2.5	76.53	
Other	30	26	385	421	427	568	1,428	1,476	1.7	73.17	
Textile, Total	11	6	87	57	42	139	108	89	0.1	37.89	15
Apparel, Total	6	10	105	470	443	123	1,040	936	1.1	43.18	13
Lumber & Wood, Total	189	167	2,800	2,338	2,651	4,982	6,897	8,621	10.0	63.24	12
Logging	18	43	103	294	333	120	643	817	0.9	49.54	
Saw and planing	155	107	2,347	1,816	2,046	3,862	5,393	6,687	7.8	62.98	
Millwork	13	13	344	168	227	969	742	1,032	1.2	89.48	
Other	3	4	6	60	45	31	119	85	0.1	35.82	
Furniture, Total	20	14	193	91	99	457	367	415	0.5	75.31	11
Printing & Publishing, Total	80	116	976	1,381	1,472	2,997	6,205	6,701	7.8	88.35	8
Newspaper	45	54	732	1,049	1,105	2,239	4,784	5,085	5.9	89.15	
Commercial printing	28	49	193	278	309	595	1,231	1,406	1.6	86.60	
Other	7	13	51	54	58	163	190	210	0.3	81.68	
Chemicals, Total	14	20	450	437	408	1,487	2,115	2,120	2.5	106.43	4
Industrial	--	4	--	63	55	--	243	278	0.3	99.06	
Agricultural	--	3	--	44	57	--	150	77	0.1	77.22	
Other	14	13	450	330	296	1,487	1,722	1,765	2.1	114.46	
Petroleum & Coal, Total	5	13	360	958	688	1,292	5,105	4,634	5.4	132.61	2
Leather, Total	14	3	54	99	117	98	193	207	0.2	40.60	14
Stone, Clay, & Glass, Total	79	76	744	1,288	1,653	1,735	5,457	7,694	9.0	89.53	7
Structural clay	8	6	151	164	196	391	613	652	0.8	66.17	
Concrete, gypsum, & plaster	68	64	583	1,096	1,328	1,329	4,688	6,544	7.6	92.66	
Other	3	6	10	28	129	15	156	498	0.6	89.33	
Metal, Total	13	26	353	673	847	1,799	3,677	4,706	5.5	90.18	6
Structural	7	16	126	424	464	378	2,189	2,403	2.8	92.92	
Other	6	10	227	249	383	1,421	1,488	2,303	2.7	97.76	
Machinery, Total	16	66	70	709	778	231	2,988	3,523	4.1	86.85	9
Machinery (except electrical)	15	54	(*)	348	397	(*)	1,735	2,082	2.4	100.71	
Electronic component	--	5	--	101	157	--	433	725	0.9	77.34	
Other electrical	1	7	(*)	260	224	(*)	820	716	0.8	69.09	
Transportation Equipment, Total	5	20	106	1,264	1,760	315	9,993	14,890	17.4	166.29	1
Aircraft	3	15	(*)	1,178	1,652	(*)	9,473	14,380	6.8	169.98	
Other	2	5	(*)	86	108	(*)	520	510	0.6	110.41	
Prof. & Sci. Equipment, Total	4	8	11	186	233	23	850	1,096	1.3	93.68	5
Other, Total	31	35	411	2,561	2,569	870	14,965	15,384	17.9	131.96	3
Jewelry	12	12	333	302	310	638	826	937	1.1	66.73	

(1) Estimated on basis of three quarters
(2) During second quarter
*Withheld to avoid disclosure
Source: N. M. Employment Security Commission

The above listing shows that nearly one half of the total increase in manufacturing employment has come from the expansion of two industries which were insignificant in 1949. The growth of these two alone has given New Mexico manufacturing a greater diversity. In addition, the rapid growth enjoyed by most of the other manufacturing groups has given even more real diversity to the State's manufacturing by spreading it somewhat more evenly among the various types. This is brought out clearly by comparing the distribution of employment among the several industries and their ranking as employers in 1949 and 1959, as shown in Table 21. Although the growth of manufacturing has contributed less than 10 per cent of the total gain in nonagricultural employment in the last 10 years, its rate of growth (81 per cent) has considerably exceeded that of all nonagricultural employment (64 per cent). And although aircraft and ordnance have dominated the picture of manufacturing growth in terms of total impact, several other industries have shown remarkable vigor (or rate) of growth. The listing of manufacturing industries according to their rate of growth during the period shows that 10 industries recorded rates of growth greater than the average for all manufacturing.

	Per Cent Gain
Prof. & sci. equipment	2,000
Transportation equipment	1,557
Machinery	1,011
Other (primarily ordnance)	528
Printing & publishing	415
Apparel	322
Petroleum	150
Metals	140
Stone, clay, & glass	122
Leather	117
All Manufacturing	81
Food products	36
Lumber & wood	-5
Chemicals	-9
Furniture	-49
Textiles	-52

21. RANKING OF MANUFACTURING INDUSTRIES BY EMPLOYMENT
New Mexico, 1949 & 1959

Per Cent of Manufacturing Employment		
1949	1959	
Lumber & wood	29.1	20.8	Food products
Food products	28.2	15.0	Lumber & wood
Printing & publishing	10.2	14.6	Other mfg.
Stone, clay, & glass	7.7	10.0	Transportation equip.
Chemicals	4.7	9.4	Stone, clay, & glass
Other mfg.	4.3	8.4	Printing & publishing
Petroleum & coal	3.7	5.1	Petroleum & coal
Metal products	3.7	4.8	Metal products
Furniture	2.0	4.4	Machinery
Transportation equip.	1.1	2.5	Apparel
Apparel	1.1	2.3	Chemicals
Textiles	0.9	1.3	Prof. & sci. equip.
Machinery	0.7	0.7	Leather
Leather	0.6	0.6	Furniture
Prof. & sci. equip.	0.1	0.2	Textiles

Source: Derived from N. M. Employment Security Commission reports

SUMMARY

Detailed analysis of this growth is beyond the scope of this article, and to some extent the figures speak for themselves. Even so, it seems worth while to point out some major inferences to be derived.

1. The growth of manufacturing appears to be in directions which better utilize the State's growing human resources, as evidenced by the fact that the major shifts have been toward the higher-paying industries. Workers in those industries which have increased their share of total manufacturing employment receive higher weekly earnings than those in industries which have decreased in relative importance.

2. The expansion of research and development activities (largely associated with atomic weapons and missiles) has provided the stimulus for much of the growth in manufacturing--as well as in other industries--as evidenced by the rapid increase of employment in ordnance, aircraft, and electronics.

3. The increasing diversification of manufacturing appears to afford a broader base for future growth. Although most of the plants which provide the additional diversification have been directly subsidized by the government--a fact which has raised doubts about their stability--a number are establishing themselves in national markets and are becoming integrated into the private sector of the economy.

4. The growth of population and business activity has encouraged the wider utilization of locally available raw materials in manufacturing such products as building materials, petroleum products, and foods and at the same time has encouraged the manufacture locally of products utilizing imported raw materials.

--R. L. E.

Utilities & Transport

Most business firms making up the utility and transport industry can look back on 1959 with much satisfaction. For many of these firms 1959 was, in terms of total volume of activities, the best year they had ever experienced. Many took significant steps to improve the already high quality of services provided their New Mexico customers. Our measures of business activity for the industry--sales and employment--were significantly above their 1958 levels. The volume of sales was a strong 25 per cent above that a year earlier and was among the three largest year-to-year sales increases recorded by the industry during the Fifties. The gain since 1950 was one of 263 per cent.

EMPLOYMENT

Industry employment during 1959 rose 3.5 per cent from that in 1958. During the decade it climbed 26 per cent. However, because of divergent trends within the industry, understanding of the industry requires examination of its individual segments.

Railroad employment during 1959 was down almost 2 per cent from that in 1958. This decline is characteristic of the railroads during the last 10 years. There were only two years out of the 10 during which employment rose. By 1959, railroad employment in this state was 29 per cent below that of 1950, when such workers formed the largest employment group within the utility and transport industry. However, by 1959 they were the smallest.

The communications and utilities sector took over first place in 1954 and has remained the industry's largest employer; its employment gain last year was 4.3 per cent above the 1958 figure and 76 per cent above that in 1950. The "other transportation" sector--made up of trucks, buses, and warehousing (89 per cent), airlines (6 per cent), and pipelines (5 per cent)--moved into second place in 1959, when a 7.7-per cent gain was scored over the previous year. During the Fifties this sector rose 60 per cent.

Although the data are rather sketchy, it is interesting to speculate regarding the significance of the decade's 25-per cent increase in industry employment in relation to the 263-per cent gain in group sales occurring during the same years. These figures seem to suggest a relatively low degree of correlation between industry employment and sales. We recognize the diversity of operations within the group; but it appears that, because of the comparatively high and rapidly increasing level of plant investment, these firms are able to expand their service with only the smallest increases in employment.

Only within the utility group can we widen such observations somewhat, and even there 1959 data are not yet available. Apparently, for private utility firms--electric, gas, water--increases in sales are fairly closely related to increases in plant investment. Between 1950 and 1958, investment by this group of firms rose 126 per cent; operating revenues and sales rose 134 per cent. Here there is some slight evidence that the utilities are using their equipment and plants a little more efficiently; that is, they are currently able to obtain more sales per unit of investment than in earlier years. More efficient use of equipment and capital funds is desirable for the entire economy.

22. ACTIVITY IN TRANSPORTATION AND UTILITIES
New Mexico, 1958 & 1959

	SALES (add 000s)		EMPLOYMENT	
	1958	1959	1958	1959
January	$ 15,381.4	$ 15,098.2	20,200	20,100
February	15,430.2	22,087.6	19,900	20,100
March	16,702.9	22,708.7	19,500	20,300
April	14,123.1	19,581.2	19,500	20,300
May	14,812.3	16,567.3	19,800	20,600
June	14,993.5	18,926.6	20,000	20,900
July	11,419.6	13,742.2	20,300	20,800
August	14,823.0	18,043.8	20,000	21,000
September	11,759.8	14,449.7	19,900	21,100
October	12,676.6	17,946.1	20,300	21,100
November	12,738.0	14,884.0	20,200	21,000
December	13,409.4	16,055.4	20,300	20,800
TOTAL	$168,269.8	$210,090.8	--	--
Monthly Average	14,022.5	17,507.6	20,000	20,700

Sources: N. M. Bureau of Revenue and N. M. Employment Security Commission

Electric Power

New Mexico electric generation plants produced 3.3 billion kilowatt hours of electric energy during 1959, approximately 11 per cent more than during the previous year. This increase is far from outstanding and is among the four smallest year-to-year increases of the 1950-1959 period. Although New Mexico's 13-per cent annual gain in electric production in 1958 was far ahead of the 1-per cent national gain for that year, our 1959 gain barely places us ahead of the nation with its 10-per cent gain. The usual seasonal pattern of electric output continued during 1959, with a peak reached in July and a second high point coming in December. There is some reason

to believe that the low point in power production traditionally experienced during February results more from the shortness of the month than from basic economic causes.

Approximately 90 per cent of all electricity produced in New Mexico is generated by utilities for sale. The remaining 10 per cent is generated by industrial firms for their own use. One of the largest industrial generators within the State is the Kennecott Copper Corporation, which uses its own power extensively at its operations in southwestern New Mexico. Kennecott's New Mexico employees went on strike in August, causing a work stoppage from then until late December. Our reports of industrial electric production show that in August the volume of power generated was one third less than that in July. This reduced level of activity continued for the remainder of the year. Post-strike reports of electric production are not yet available, but expectations are that industrial power production will soon return to its pre-strike level. To see business conditions reflected so directly and unmistakably in one of our measures of economic activity is of genuine interest.

The element of business dearest to the heart of the businessman is the volume of sales he is able to transact each year. It is in this area that the New Mexico electric power industry made significant strides during 1959. Last year, sales of electric power were 37 per cent above those of 1958. An increase of such magnitude is remarkable, and its cause is easy to find: sales of electric power to industrial users increased by almost 90 per cent from 1958 to 1959, and most of that increase can be attributed to the uranium mills in the Grants area. The demand of those mills greatly increased the volume of industrial power sold from the last half of 1958 on. The year 1959 was the first full year that all our uranium plants were in operation. While their electric purchases will probably increase during 1960, the year is not likely to see gains as large as those occurring during 1959.

Although we can attribute much of the increase in industrial electric consumption to the uranium processing plants, increased industrialization in many parts of the State undoubtedly added to the total. The other groups of electric users--residential, "other," and commercial--had normal gains of 12, 13, and 14 per cent, respectively, for the 1958-1959 period.

In 1959 industrial concerns were the largest purchasers of electric power in New Mexico, a relatively new occurrence. During 1950, industrial users were taking less power than were either residential or commercial users. By 1956 the industrial group had passed the commercial group, and during 1959 it moved to the top as the largest consumer of electricity in the State. The accompanying table shows the changes in importance of our various electric-consumer-groups, as well as how this situation compares with that throughout the nation.

23. ELECTRIC POWER PRODUCTION
New Mexico, 1957-1959
(thousands of kilowatt hours)

	1957	1958	1959
January	199,995	225,535	262,853
February	178,099	201,897	232,675
March	202,045	228,158	257,328
April	206,245	223,077	264,939
May	201,172	243,605	263,903
June	220,591	257,442	293,473
July	241,370	291,326	311,646
August	258,331	286,641	304,320
September	221,614	246,268	278,861
October	220,528	235,207	265,425
November	219,621	245,421	261,530
December	235,335	260,927	282,597
TOTAL	2,604,946	2,945,504	3,279,550
Monthly Average	217,079	245,459	273,296

Source: Federal Power Commission

INDIVIDUAL UTILITIES

Reports from individual electric utilities give us the particulars on developments in the industry during the year. Public Service Company of New Mexico, the largest direct supplier of electric energy in the State, sold 813 million kilowatt hours, almost 30 per cent more than in the previous year. Its sales to industrial customers were greater than those to any other class, showing an increase of 74 per cent. To keep up with New Mexico's rapid growth, Public Service has made plans to increase its generating capacity 60 per cent by the middle of 1962--from 207,600 kilowatts to 331,600 kilowatts. This expansion will be accomplished with the completion of the second 50,000-kilowatt unit now under construction and the installation of a third unit of 74,000-kilowatt capability at the Reeves Generating Station north of Albuquerque. Early in the year the company purchased 70 miles of transmission line running from Albuquerque to Ambrosia Lake and supplying principally the area's uranium firms. Late in the year the utility completed and obtained approval of plans to build a 57-mile transmission line westward from Ambrosia Lake to Gallup. The company will sell power at wholesale rates to the city of Gallup for distribution within the community. Public Service spent almost $12 million for expansion of facilities during 1959, 18 per cent more than the year before. Capital expenditures during 1960 will probably be somewhat greater.

Southwestern Public Service Company, operating along the east side of the State, increased its sales to New Mexico customers by almost 12 per cent, selling a total of 813 million kilowatt

24. PERCENTAGE DISTRIBUTION OF ELECTRIC SALES
New Mexico & United States, 1958 & 1959

	New Mexico		United States	
	1958	1959	1958	1959
TOTAL	100.0	100.0	100.0	100.0
Residential	33.1	27.8	28.7	28.3
Commercial	22.6	18.7	16.9	17.1
Industrial	30.6	42.0	48.9	49.0
Other	13.7	11.5	5.5	5.6

Source: Federal Power Commission

hours of electricity, a relatively large portion of it at wholesale. This utility spent $1.4 million for construction of electric facilities in the State last year, three quarters of the total going for distribution facilities. Construction plans for 1960 call for an increase of approximately 25 per cent.

El Paso Electric Company in south-central New Mexico sold 219 million kilowatt hours, approximately 25 per cent more than during 1958. Construction expenditures in this state amounted to $620,000 in 1959. A total of $1.2 million, a 100-per cent increase, is planned for 1960. Last year the company spent $9 million on its new 80,000-kilowatt Newman Power Station (located just over the boundary line in Texas), which will serve New Mexico customers--individuals, private businesses, and government installations.

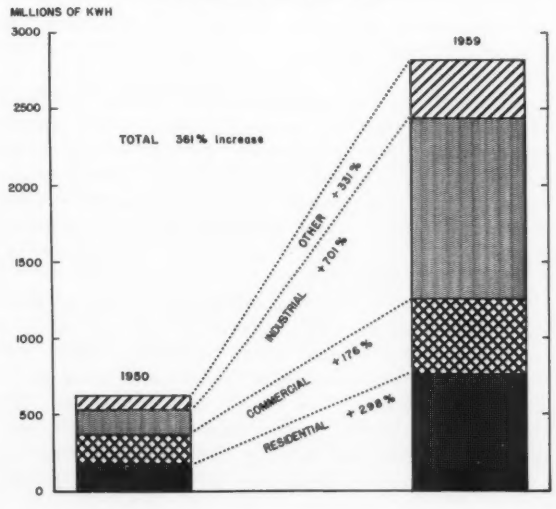
Community Public Service Company in Hidalgo, Grant, and Otero counties sold 92 million kilowatts of electricity in the State during 1959, 15 per cent above the previous year's sales. The depressed conditions of mining activity in southwestern New Mexico somewhat retarded the growth of electric usage there. Improvement of the copper situation at the year's end pointed to increased demand for electricity. Alamogordo and Ruidoso continued to grow rapidly, but the boom conditions of earlier years seem to have abated a little. This slowing will allow the utility to provide improvements needed in its transmission and distribution systems.

The Plains Electric Generation and Transmission Cooperative, supplier of most of the power used by electric cooperatives in central New Mexico, generated 176 million kilowatt hours of electricity during 1959. This output represented a 23-per cent increase over that of 1958 and to a great extent reflected production from new generation facilities completed by the company. Plains' sales, which are all at wholesale to member cooperatives, increased almost 12 per cent above 1958 sales to total 203 million kilowatts. The difference between sales and production is made up by purchases of energy from other producers.

The Lea County Electric Cooperative generated 95 million kilowatt hours last year and is currently installing 16,500 kilowatts of additional capacity. Completion of its new generating unit will raise this co-op's total capability to 36,530 kilowatts. Construction is nearing completion on a transmission line that will connect the cooperative's facilities with a Texas generating plant of Southwestern Public Service Company. The Lea cooperative is expecting to purchase between 15,000 and 20,000 kilowatts from Southwestern to supplement its own generation. Plans for the next three years provide heavy outlays for improvement of transmission and distribution facilities.

Many who are concerned with the industrial growth of New Mexico, and particularly those who are observing such growth as it is represented in the operations of the electric power industry, have been most interested in developments taking place in the Farmington area. Reports have come out of the Four-Corners country concerning the establishment of a huge industrial complex that would require and also produce large volumes of electric energy. Fact is hard to separate from rumor, but evidently an attempt is being made to utilize coal and other raw materials in the area to establish a manufacturing-processing operation that would produce considerable volumes of electric power. The city of Farmington, which operates its own municipal power plant, and Utah Construction Company are most often mentioned in connection with such a complex. More definite and more specific plans are being made to bring some of the power from the Glen Canyon Project of the Colorado River Storage Project into New

Sales of Electric Energy
NEW MEXICO, 1950 & 1959



Mexico. Also being prepared are alternative proposals concerning the technical characteristics and ownership of the transmission lines that will carry this power throughout the Southwest.

Natural Gas

During 1959 the natural gas industry expanded along with New Mexico business and population. Southern Union Gas Company, the major gas supplier in the State, served an average of 129,800 customers during the year, 7 per cent more than in 1958. The company spent $5 million in 1958 for capital improvements at its facilities in New Mexico, and it plans to spend $8 million in 1960. Last year, gas service was made available in Tularosa and Milan for the first time.

At the end of 1958 the Western Gas Service Company took over the facilities of the Lea County Gas Company and purchased the Roswell gas distribution system from Southwestern Public Service Company. Western Gas spent most of 1959 absorbing these new properties into its operations and at the end of the year was supplying gas service in Roswell, Silver City, Santa Rita, Central, Hurley, Anthony, several rural areas in the Animas Valley, and the Red Mountain and the Deming farming areas.

Telephone Service

Telephones were more widely available and more extensively used in New Mexico last year than ever before. At the end of 1959 there were 271,400 phones in service in the State, 10 per cent more than at the end of the previous year. Almost 26,000 phones were installed during the year, compared with 21,000 installed during 1958. Last year's installations by Mountain States Telephone and Telegraph Company, which does about 90 per cent of all telephone business in New Mexico, were 18 per cent larger in number than those in 1958 and accounted for approximately 90 per cent (23,530) of all such 1959 installations. General Telephone Company of the Southwest with a much smaller overall volume--about 10 per cent of the total--put in only 2,270 phones during 1959. However, they represented a very healthy 84-per cent increase over 1958 installations.

DEVELOPMENTS

Mountain States took a number of important steps during the year to improve and expand the service provided its New Mexico customers. Plans were laid and initial steps taken to convert five communities (Deming, Silver City, Lordsburg, Raton, and Clayton) from manual operations to dial service. The company opened three new exchanges--at Red River, Logan, and Tijeras. The inauguration by the company of Direct Distant Dialing (DDD) service in New Mexico will probably be the most significant advance in telephone service. Although DDD will be of great convenience to phone users, it is being installed principally because of its operating advantages. With the great increases in long-distance calls that are constantly taking place, the company would have more and more difficulty hiring enough operators to handle calls. Therefore, the method has had to be automated. In the spring of 1960 Albuquerque, Grants, Magdalena, Belen, Los Lunas, Mountainair, Estancia, Vaughn, Moriarty, and Bernalillo will go on the DDD system. Company plans are to have every community in the State so served by 1965. The Bell System is planning complete national coverage by 1970. Mountain States spent $17.5 million for new facilities in New Mexico last year and contemplates similar expenditures of $20 million each year from 1960 through 1965.

General Telephone increased its capital facilities in New Mexico by about $1 million during 1959 and by the end of the year had an "in-service" plant investment in the State of $9.6 million. During 1959 the company completed plans to construct a microwave network connecting Hobbs, Carlsbad, and Roswell. The network will tie into the Mountain States system and will provide a higher quality of long-distance phone service to southeastern New Mexico. Investigation revealed that the best and most economical way of expanding service was by microwave rather than by wire facilities.

INCREASED USE

Telephones are being used more and more by Americans. Phone company statistics show that 4.5 calls are made every day from every phone, a figure that has been moving up constantly. Also, since 1955 the number of extensions on residential phones has increased so rapidly that today 20 per cent of all home telephones have extension service.

Highways

Automobiles and trucks used New Mexico roads and highways for a total of 4.9 million miles during 1959, an increase over 1958 mileage of 4.3 per cent. The seasonal pattern of road use remained much the same as that in previous years, with the heaviest volume of traffic continuing to use the Federal Aid Primary System of roads and city streets.

New Mexico passenger cars naturally accounted for the heaviest volume--about 50 per cent--of traffic upon our roads; out-of-state cars and commercial vehicles accounted for about 25 per cent each. New Mexico autos covered 11 per cent

25. MOTOR VEHICLE REGISTRATIONS
New Mexico, 1958 & 1959

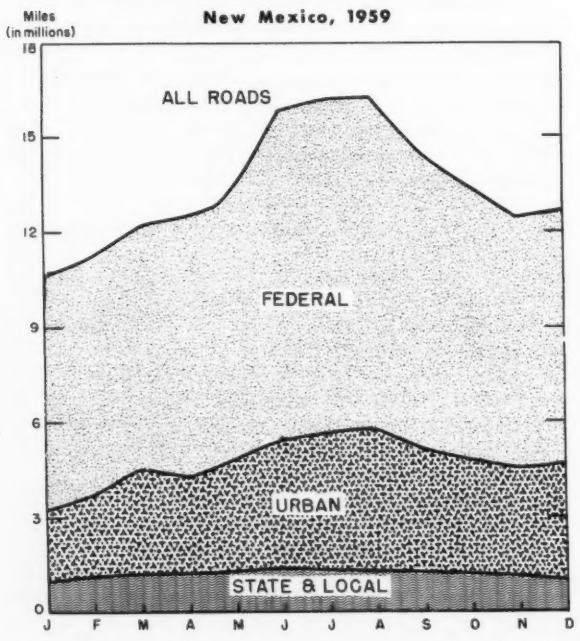
	1958	1959	Per Cent Change
Total Vehicles	421,096	482,962	+14.7
Passenger	286,824	321,910	+12.2
Truck	96,835	104,756	+ 8.2
Trailer	25,922	43,355	+67.3
Motorcycle	5,992	7,027	+17.3
Other*	5,523	6,914	+25.2

*Includes official registrations, buses, and taxis
Source: N. M. Department of Motor Vehicles

more miles during 1959 than they had the year previous; commercial vehicles upped their mileage by 5.4 per cent; the out-of-state autos driven by tourists, through travelers, and business visitors failed to increase their travel as much as 1 per cent.

Truck movements in New Mexico increased about 25 per cent over 1958 as measured by the gain in the truck-mileage tax, the only specific measure of such activity which is presently available. This increase was somewhat greater than that of 21 per cent shown in 1958. Sales of motor fuel subject to tax were 8 per cent larger than those in 1958, bringing tax receipts from this source to $24.5 million. A comparison of the increase in miles traveled with the increase in motor fuel sales suggests that motor vehicles secured poorer gasoline mileage in 1959 than they did in 1958.

Road and Highway Traffic



VEHICLE REGISTRATIONS

The accompanying table shows the distribution of vehicles registered in New Mexico. The year-to-year increase of 14.7 per cent is substantially above the 4.4-per cent annual gain registered in 1958. A special drive by the Department of Motor Vehicles resulted in the large increase in trailer registrations. The 12-per cent gain in passenger car registrations, when compared to the 11-per cent increase in the number of miles driven by our autos in the State, indicates that each car is being driven about the same distance each year. When compared with the estimated yearly expansion in the State's population of 2.5 per cent, the increase in passenger-car registrations indicates that the number of persons per car is being reduced either by an increase in the number of two-car families or by wider ownership of cars.

26. ASSESSED VALUATIONS OF TRANSPORT AND UTILITY COMPANIES
New Mexico, 1950, 1958, & 1959
(in thousands)

	1950	1958	1959	Per Cent Change 1950 - 1959
Railroads	$83,491	$80,699	$80,465	- 3.6
Pipelines	27,239	79,467	87,314	+220.5
Airlines	na	930	1,057	--
Public Utilities	26,793	68,395	76,478	+185.4
Telephone & Telegraph	12,937	42,930	47,460*	+266.9

*Does not include General Telephone Company
na - not available
Source: N. M. State Tax Commission

Airways

Passenger traffic of the three regularly scheduled airlines serving New Mexico (Continental, Frontier, and TWA) remained at relatively the same level during 1959 (225,000 boardings) as during 1958 (224,000 boardings). The two larger carriers had slight increases in New Mexico passenger traffic, while the other carrier had a slight decrease in such boardings. Although the number of passengers departing from New Mexico airports did not increase significantly, this fact did not necessarily mean that airline revenues followed the same pattern. Two air carriers reported that the passengers boarding their planes in this state were traveling farther than had been usual in other years. Therefore, even though the number of passengers remained static, total revenues originating in New Mexico increased as the result of a higher proportion of long-trip tickets than heretofore.

27. NEW MEXICO AIRLINE TRAFFIC
1950, 1954, 1957, & 1958

	1950	1954	1957	1958
Aircraft Departures	28,657	28,919	28,592	27,972
Passenger Departures	80,514	131,868	212,633	217,267
Airmail, Outgoing (tons)	299.1	431.2	527.6	521.0
Air Cargo, Outgoing* (tons)	344.6	488.7	680.5	652.0
Passengers per Departure	2.8	4.6	7.4	7.8
Tons of Mail and Cargo per Departure**	0.22	0.32	0.42	0.42

*Air express and air freight
**Air mail, air express, and air freight
Source: Civil Aeronautics Administration

28. AIRLINE PASSENGER DEPARTURES
New Mexico, 1959

	Number	Per Cent of Total
All Passengers	225,043	100.0
From:		
Albuquerque	177,014	78.7
Farmington	15,219	6.8
Roswell	8,368	3.7
Santa Fe	7,560	3.4
Alamogordo	4,083	1.8
Hobbs	3,376	1.5
Gallup	3,100	1.4
Silver City	2,333	1.0
Clovis	2,076	0.9
Carlsbad	1,914	0.8

Source: Reports from individual airlines

EXPANDING SERVICE

During 1959, airline service to New Mexicans was improved by the awarding and initiation of nonstop service by Continental between Albuquerque and Dallas. Also, TWA made plans to use jet aircraft in its flights through Albuquerque; jets should be in service by the late summer of 1960. A decision by the Civil Aeronautics Board gave Frontier new and additional routes in five midwestern states which should mean greater convenience for New Mexico passengers flying into that area.

There are three route cases currently before the Civil Aeronautics Board which, when settled, may provide a greater range of service to New Mexico air travelers and shippers. In deciding a route case, the CAB gives to a particular airline, or possibly to a number of airlines, the authority to fly certain routes and to make certain stops. A decision in the Southern-Transcontinental case may award routes and stops coast-to-coast over the southern portion of the United States from Florida to Southern California with good chances of stops in Albuquerque. The Dallas-West case is concerned with routes and stops from Dallas to the West Coast and has alternative proposals offering flights through Albuquerque or El Paso. The Texas-New Mexico Local Service case involves the awarding of routes and stops to a relatively large number of central and eastern New Mexico communities, as well as to certain Texas towns.

AIR CARGO

Air cargo movements by New Mexico's regularly scheduled airlines totaled 2.8 million pounds during 1959, 37 per cent above the volume moved the previous year. Air freight movements accounted for 46 per cent of total cargo; air mail, for 41 per cent; and air express, for 13 per cent. Frontier was the largest originator of air freight in the State, Continental was at the top in the air express category, and TWA was the principal mover of air mail.

The related table traces developments in New Mexico airline traffic for 1950 through 1958. The

29. RAIL FREIGHT MOVEMENTS BY GROUPS
New Mexico, 1957 & 1958

	ORIGINATING IN NEW MEXICO				TERMINATING IN NEW MEXICO			
	Carloads		Tons		Carloads		Tons	
	1957	1958	1957	1958	1957	1958	1957	1958
Forwarder Traffic	1	1	22	17	1,143	1,550	14,076	18,163
Agricultural Products	6,269	6,709	160,275	175,398	3,699	3,466	96,327	67,641
Animal Products	9,843	8,709	100,557	89,954	2,062	2,098	22,986	24,356
Mining Products	29,007	27,199	1,905,220	1,865,340	20,478	21,095	1,441,489	1,547,243
Forest Products	3,609	1,737	90,946	44,903	3,448	3,583	101,727	104,931
Manufacturing & Miscellaneous Products	84,614	85,509	4,096,903	4,183,823	37,211	27,608	968,910	829,598
TOTAL - Carloads	133,343	129,864	6,353,923	6,359,435	68,041	59,400	2,645,515	2,591,932
L.C.L.*	--	--	12,215	8,328	--	--	34,196	23,198
TOTAL	133,343	129,864	6,366,138	6,367,763	68,041	59,400	2,679,711	2,615,130

*L.C.L. - Less than carload lot
Source: Traffic and Rate Department, New Mexico State Corporation Commission

decline in the number of aircraft departures resulted directly from discontinued airline service to a number of smaller New Mexico communities. During the eight-year period for which we have comparable data the number of passenger originations more than doubled, and cargo shipments fell just short of doubling. Passenger and cargo loads per flight increased significantly.

Railroad

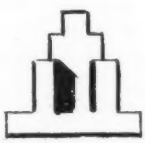
The most current information available concerning railroad traffic in New Mexico is for the year 1958; however, all indications are that rail freight activity in the State increased in 1959 over 1958. While there was an apparent increase in overall traffic it is unlikely that the relationship between the various commodity groups changed significantly.

As the accompanying table shows, the manufacturing-miscellaneous group accounted for the bulk--66 per cent--of freight originations in New Mexico and placed the group second in total rail terminations with 32 per cent of the total.

Twenty-nine per cent of all originations are mining products, while this category provides the largest portion--59 per cent--of terminations. The three other categories (agricultural, animal, and forest products) represent very small proportions of New Mexico rail traffic, no one of which accounts for more than 4 per cent of either terminations or originations.

--A. A. B.

Construction



New Mexico's 1959 construction activity remained at a high level, although construction contracts awarded dropped 11.7 per cent below those of the previous year. This decrease of $35.5 million is accounted for by falls of 3.6 per cent in residential building, 7.1 per cent in the value of nonresidential structures, and 27.2 per cent in heavy construction. Despite all this, average monthly construction employment was higher than in 1958, and the Bureau of Revenue reported sizeable increases in the gross receipts of contractors and in the purchases of building materials.

Albuquerque, Farmington, Alamogordo, Roswell, and Las Cruces, in that order, were the cities with the highest values in building permits, only Farmington's 47-per cent drop differing substantially from the 1958 total. Road construction suffered from a four-month period in which the State Highway Department suspended contract letting; consequently, the 52-per cent fall from the level of the previous year did not come as a surprise. Guaranteed loans from the Veterans Administration were considerably higher than those for 1958. Although the number of FHA loans showed a gain, the average size of each loan fell. Once again increases are found in the wage scales for employees in construction throughout the year; and, with construction employment rising for the first six months, the total wages for the year were higher than ever before.

30. TOTAL CONSTRUCTION VALUATION
Mountain States, 1958 & 1959
(in thousands)

	1958	1959	Per Cent Change
NEW MEXICO	$ 299,155	$ 264,129	-11.7
Arizona	413,524	459,271	+11.1
Colorado	477,922	510,239	+ 6.8
Idaho	150,750	122,241	-18.9
Montana	161,864	134,113	-17.1
Nevada	102,260	98,962	- 3.2
Utah	268,049	227,104	-15.3
Wyoming	106,426	108,868	+ 2.3
TOTAL	$1,979,950	$1,924,927	- 2.8

Source: F. W. Dodge Corporation

DODGE REPORTS

This was the fourth year in which the F. W. Dodge Corporation (with which this Bureau has a cooperative program) reported the total valuation of construction in the State. The 1959 figure amounted to $266 million, which included not only residential and nonresidential building but also every other kind of construction for which contracts were let. This figure differs substantially from that of the building permit valuation, since permits are issued only in cities with building inspection ordinances. For example, the permit valuation for Albuquerque totaled $69.6 million, while Dodge reported $81.4 million. This lack of agreement is explained by the fact that the Dodge report includes both the building outside the Albuquerque city limits but within the metropolitan area and also construction not requiring a municipality permit. Also, F. W. Dodge state totals

include, in addition to the foregoing, a total for heavy construction, which covers road construction, pipeline laying, utility construction, and other types of heavy engineering.

In the Mountain States only Arizona, Colorado, and Wyoming show a net increase in total construction awarded over 1958. However, three states show a larger decrease than that in New Mexico. The year 1958 brought an exceptionally high level of activity in most segments of the State's economy, particularly in construction, so that a drop of 11.7 per cent still leaves construction activity in a healthy position--3.2 per cent higher than in 1957.

ACTIVITY IN FOUR CITIES

Albuquerque

Building permitted in Albuquerque in 1959 was 4 per cent higher than in the previous year. When it is realized that the total in 1958 was almost double that of 1957, it is clear that 1959 was a good one for the State's largest city. Once again, well over one half of all New Mexico's permits was issued there. In fact, Albuquerque's 1959 percentage was 56 per cent of the total. Residential building fell, but the outstanding increase took place in private nonresidential building, while the absence of any large federal project in Albuquerque explains the 68-per cent drop in the valuation of publicly owned projects. At a cost of $2.9 million the Albuquerque public school system added seven new buildings, the city put close to $1 million into additional structures, and the AEC built a $1.8-million reactor facility.

The last year brought a new high in the number of large private buildings started in Albuquerque, with as many as 30 buildings being valued at over $100,000 each. In addition to the $3.3-million shopping center of Winrock Enterprises and the $2.1-million Bank of New Mexico building, seven office buildings, three churches, and two motels were included in the major projects. In 1959 a total of 17 new religious buildings was started in Albuquerque--eight more than in 1958.

Alamogordo

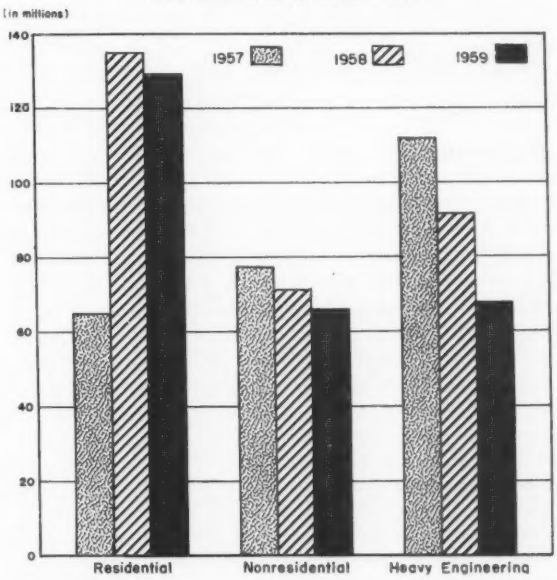
Although last year Alamogordo did not quite reach its 1958 level of construction activity, it did not fall far below it. Total building permits issued were a small fraction of 1 per cent lower than those of the previous year. Nonresidential permits showed a slight gain, but there were no outstanding new projects. The public school system added four new buildings at a cost of $664,500, and four new churches and 29 commercial structures were begun, indicating steady growth at a healthy level above that of 1957.

Not far away, at the White Sands Missile Range construction ran high, with $4 million being spent on a Capehart Housing project, and $3.8 million on range instrumentation facilities.

Value of Construction

As Reported by F. W. Dodge Corporation

New Mexico, 1957, 1958, & 1959



Farmington

In 1959 Farmington failed to maintain the high level of construction that it had experienced in the previous two years. The value of building permits fell a drastic 47.3 per cent, indicating a sharp break in that town's skyrocketing construction activity. However, a leveling-off of economic activity in this area was not unexpected and indicates a return to more normal conditions for Farmington, following several years as a boom town. The drop in residential building permits amounted to 53.6 per cent, but the increase in the average cost of homes from $9,388 to $12,867 suggests a change to larger better-class housing--another indication that the boom-town economy is being supplanted by a more permanent growth. The public school system spent $525,000, while the only other construction over the $100,000-mark included a motel, two office structures, and a new electric power plant. It would seem that 1959 construction is a good indicator for future trends, since it represents the first year of stable growth at this new level and since Farmington is tending towards the usual pattern of development of oil and gas towns elsewhere in the Southwest.

Roswell

Roswell had a minor building boom in 1959, issuing residential permits with a value 34 per cent greater than that the year before. Total building permits were up 29.6 per cent and amounted to $7.3 million, which is high for Roswell; but the major portion of this increase was purely residential. Although no large private

31. NEW MEXICO CONSTRUCTION ACTIVITY
1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
Total Building Permits*	1958	$ 7,514	8,508	13,250	8,527	12,061	10,607	11,643	14,521	10,238	13,449	7,332	8,765	126,415	10,535
(add 000s)	1959	$12,074	9,257	11,137	14,831	10,317	10,471	6,739	9,208	9,688	8,245	6,479	14,830	123,276	10,273
Residential Building	1958	$ 4,167	6,754	6,282	5,970	7,765	6,916	7,206	9,458	7,887	9,380	5,870	6,086	83,741	6,979
Permits (add 000s)	1959	$ 7,919	6,272	7,731	10,213	6,369	7,354	4,451	5,688	6,462	5,250	4,142	4,450	76,301	6,359
Nonresidential Building	1958	$ 2,603	1,202	6,226	1,849	3,234	2,869	3,785	4,207	1,616	3,225	745	2,027	33,588	2,799
Permits (add 000s)	1959	$ 3,079	2,141	1,367	3,531	2,733	1,640	1,311	1,915	2,300	2,293	1,609	9,744	33,663	2,805
Other Building Permits	1958	$ 744	552	742	708	1,062	822	652	856	735	844	717	652	9,086	757
(add 000s)	1959	$ 1,076	844	2,039	1,087	1,215	1,477	977	1,605	926	702	728	636	13,312	1,109
Construction Contracts	1958	$10,054	12,230	26,975	21,586	23,169	59,476	26,154	25,478	24,926	39,030	16,270	16,507	301,855	25,155
Awarded* (value in 000s)	1959	$19,760	23,603	26,600	29,941	22,698	27,093	24,040	15,789	14,980	20,370	16,763	24,716	266,353	22,196
Residential	1958	$ 5,005	7,729	8,305	9,171	11,705	12,741	10,905	12,465	14,221	27,130	8,145	8,405	135,927	11,327
(value in 000s)	1959	$ 8,218	10,502	12,169	14,311	13,752	18,442	10,370	10,893	10,493	8,679	7,255	5,966	131,050	10,921
Number of Permits	1958	435	756	683	684	925	1,102	972	1,146	1,286	2,055	772	743	11,559	963
	1959	740	946	1,103	1,149	894	1,888	776	815	867	715	576	468	10,937	911
Floor Area	1958	511	789	818	871	1,162	1,257	1,077	1,236	1,448	3,026	794	796	13,785	1,149
(1,000 sq ft)	1959	770	1,011	1,170	1,386	1,123	1,631	988	1,012	1,000	822	689	569	12,171	1,014
Nonresidential	1958	$ 2,833	3,383	8,164	9,413	6,069	14,768	9,438	4,727	3,846	4,374	2,134	3,314	72,463	6,039
(value in 000s)	1959	$ 3,011	3,269	4,505	9,161	5,183	4,583	6,778	2,704	3,116	9,060	4,489	11,444	67,303	5,609
Floor Area	1958	201	312	543	588	421	1,130	686	364	269	384	175	290	5,363	447
(1,000 sq ft)	1959	209	174	321	609	441	319	419	210	258	421	398	811	4,590	382
Heavy Engineering	1958	$ 2,216	1,118	10,506	3,002	5,395	31,967	5,811	8,286	6,859	7,526	5,991	4,788	93,465	7,789
(value in 000s)	1959	$ 8,531	9,832	9,926	6,469	3,763	4,068	6,892	2,192	1,371	2,631	5,019	7,306	68,000	5,666
Contractors' Sales	1958	$30,325	29,756	27,059	29,110	34,600	35,374	31,636	33,665	34,096	26,974	23,782	31,425	367,802	30,650
(add 000s)	1959	$31,515	33,614	34,468	33,051	34,620	40,260	41,685	23,386	20,893	35,821	41,981	27,668	398,962	33,247
Building Materials Sales	1958	$ 8,394	7,776	8,474	9,172	10,477	9,843	11,553	11,057	11,031	11,982	8,773	12,124	120,656	10,055
(add 000s)	1959	$19,530	10,717	11,927	12,514	13,076	13,701	13,881	12,404	10,644	11,063	10,069	9,385	148,911	12,409
Shipments of Portland	1958	147	147	160	181	218	206	215	225	230	248	194	259	2,430	202
Cement (000s of bbls)	1959	232	224	258	299	306	327	300	293	286	228	182	172	3,107	259
Employment in	1958	18,200	17,900	17,500	18,600	19,900	20,900	21,600	22,300	22,100	22,600	23,500	23,700	--	20,700
Construction	1959	21,700	22,100	22,600	23,100	22,700	22,600	21,400	20,100	19,800	18,800	18,400	18,300	--	20,900

*The lack of agreement among dollar values is explained by differences in sources.

Sources: Building permits--reports of 18 city building inspectors; Construction Contracts Awarded--F. W. Dodge Corporation; sales--N. M. Bureau of Revenue; cement--U.S. Bureau of mines; employment--N. M. Employment Security Commission

projects were started, as many as 40 new commercial structures were begun, while the public schools spent $202,000. The federal government allocated an estimated $1.7 million for the construction of Nike-Hercules facilities, spent $3.8 million on improving the airfield at Walker Air Force Base, and built a new airmen's dormitory. With the approval of a large Atlas missile storage and launching base, military construction looks good for Roswell in 1960. Also, the planned research pilot plant for the purification of brackish water is of considerable significance for Roswell's overall economy.

Residential Building

The number of dwelling units permitted in 1959 was 5.4 per cent below the total of the previous year, as shown in Table 31; but, since the home-building industry experienced a phenomenal increase in 1958, last year's record is still a good one for the State. This fact is particularly apparent when one realizes that the 1959 level for residential building was 53 per cent higher than that for 1957, which was the previous high point. Although the floor area of dwelling units started increased from 6.5 million square feet in 1957 to 13.8 million square feet in 1958 and then dropped slightly to 12.2 million square feet in 1959, the average cost of each housing unit dropped from $12,590 in 1957 to $11,778 and then rose again to $11,982.

Of the 18 cities reporting building permits to this Bureau, 11 show a rise in the valuation of permits for residential building, five of these having an increase over 1958 of more than 50 per cent. Clayton experienced the greatest percentage rise with a valuation 186 per cent higher than that the year before. Roswell had the largest dollar increase--$1,256,460. Home-building activity in many smaller cities during 1959 indicated that New Mexico's growth is not limited to the largest urban areas and that housing contractors are diverting some of their attention to the less populous communities.

The outstanding item of federal government expenditure on residential building was a $4-million Capehart Housing project at the White Sands Missile Range. Apart from this and other appropriations, the federal government FHA and

32. VALUE OF BUILDING PERMITS FOR SELECTED CITIES
New Mexico, 1957-1959

	1957	1958	1959
Alamogordo	$ 6,841,810	$ 7,729,517	$ 7,719,486
Albuquerque	36,343,070	66,998,220	69,584,464
Artesia	1,383,393	2,628,341	2,845,068
Carlsbad	3,381,010	2,256,380	2,224,963
Clayton	38,100	62,200	122,180
Clovis	1,294,295	3,642,735	4,190,252
Deming	587,900	871,120	1,279,350
Farmington	10,584,210	14,827,364	7,817,530
Gallup	2,463,458	2,571,873	2,656,403
Hobbs	6,865,430	6,447,110	2,981,790
Las Cruces	3,474,000	7,582,000	7,080,000
Las Vegas	728,400	953,800	878,192
Lordsburg	215,300	224,300	132,710
Portales	592,675	701,754	782,634
Raton	270,022	247,750	678,350
Roswell	4,212,487	5,602,427	7,258,412
Santa Fe	2,628,203	2,549,902	3,941,780
Tucumcari	458,673	517,855	1,102,057
TOTAL	$82,362,436	$126,414,648	$123,275,621

Source: Individual reports from city building inspectors

VA loan programs also helped the home-building industry. The amount of VA loans guaranteed rose 70 per cent to $37,337,821, and the value of direct loans increased 4.5 per cent. FHA loans fell $14.3 million (17.8 per cent), although the number of loans increased by 4.5 per cent. The year 1959 saw the VA loan-guarantee program in full swing and working well, following a setback in the early part of 1958.

Nonresidential Building

Contracts let for nonresidential building fell 7.1 per cent below the 1958 level, which, in turn, had been 7.9 per cent under that of the previous year. Half of the 18 cities reporting building permits experienced gains in their nonresidential valuation. However, the total for the State would have dropped much farther had not the Winrock Shopping Center and the Bank of New Mexico building got under way in Albuquerque. Together, they were valued at nearly $7 million. Other projects that swelled the total included the construction of the $3.8-million range instrumentation facilities at White Sands and a $3-million Indian hospital at Gallup. Three new buildings at Los Alamos accounted for close to another $6 million. All these projects made the federal government the major contributor to the year's nonresidential building.

Since businesses tend to locate in areas with new markets to be served, those cities which had experienced residential building booms in 1958 were expected to experience relatively high commercial building in 1959. Although such expectations were borne out in several cities, the pattern was not wholly consistent. Gains in the value of nonresidential permits were 1,085 per cent in Raton, 262 in Tucumcari, 35 in Alamogordo, 23 in Roswell, 13 in Clayton, and 8 per cent in Clovis. However, Farmington, which had one of the largest home-building booms of 1958, came

33. NUMBER AND VALUE OF NEW PRIVATE BUILDINGS
(As Reported to F. W. Dodge Corporation)
Selected New Mexico Cities, 1958 & 1959
(dollar values in thousands)

	ALAMOGORDO				ALBUQUERQUE				FARMINGTON				ROSWELL			
	1958	Units	1959	Units	1958	Units	1959	Units	1958	Units	1959	Units	1958	Units	1959	Units
Religious	$ 42	1	$ 130	4	$ 1,043	9	$ 1,003	17	$ 607	9	$ 14	2	$ 147	4	$ 193	7
Institutional	390	1	--	--	947	4	--	--	721	10	128	3	--	--	--	--
Educational, Private	--	--	18	1	1,021	6	421	2	18	1	--	--	--	--	--	--
Industrial	23	4	20	3	481	25	995	28	21	2	98	7	--	--	--	--
Offices	36	5	--	--	825	53	4,803	89	1,246	49	698	8	--	--	4	1
Public Utilities	--	--	6	1	--	--	872	1	786	11	162	4	--	--	--	--
Stores & Other Mercantile	402	8	417	29	1,769	55	6,158	122	543	11	453	22	374	31	1,311	40
Garages, Commercial	4	1	--	--	272	28	168	15	--	--	--	--	--	--	5	1
Garages, Residential	--	--	--	--	87	99	147	167	73	52	79	137	73	66	--	--
Gasoline & Service Stations	24	1	67	8	348	32	455	28	77	5	175	12	25	1	57	6
Amusement Places	74	1	--	--	159	7	605	7	--	--	--	--	--	--	8	2
All Other Nonresidential	13	4	9	2	470	53	1,327	39	434	39	48	4	31	8	--	--
Other Structures	10	30	46	93	65	73	208	40	60	114	116	188	15	12	--	--
Residential	6,301	623	5,981	629	46,552	3,991	46,478	3,858	10,242	1,091	4,915	382	4,002	488	5,376	679
TOTAL	$7,319	679	$6,694	770	$54,039	4,435	$63,640	4,413	$14,828	1,394	$6,886	769	$4,667	610	$6,954	738

up with a decline of 38 per cent, while Lordsburg fell 62, Portales 51, Artesia 11, and Las Cruces 5 per cent. Despite Farmington's failure to reach its 1958 dollar level, the actual number of new commercial structures--in addition to 12 gas stations--was 22, double that of last year although lower in valuation. In actual dollars Albuquerque, as usual, led the field, with its nonresidential construction totaling $1,723,469 more than in the previous year. Contracts let in Albuquerque during 1959 included 17 religious buildings, 89 office structures, 122 commercial buildings, and 28 gas stations.

Roads, Highways, and Utilities

New heavy construction in New Mexico in 1959 totaled $68 million, 27 per cent below the total in 1958. The drop was not unexpected, since no project was begun that in any way was comparable in size to the Navajo dam started in 1958 and the pipeline projects of 1957. The largest single project of the year was the embankment and spillway of the Abiquiu dam and reservoir on the Rio Chama, to cost an estimated $8.5 million. The only other sizeable item was a project at Walker Air Force Base, a $3.8-million construction job in which the runway and taxiway were strengthened and an apron built. The Transwestern Pipeline Company routed a line through the State on the way to California.

The New Mexico State Highway Department awarded a total of $21.8 million in contracts for the building of roads. This total was a sharp drop of 51.9 per cent from the 1958 level of $45.3 million, and was caused partly by the four-month period--July through October--in which contract letting was suspended. At that time federal government funds allocable for road construction had drained away, making the awarding of further contracts impracticable. Consequently, the first six months include 79 per cent of the total contract valuation for the year. The low figures for heavy construction in August, September, and October are probably a result of this suspension. The impact was possibly delayed at least a month, since construction seldom starts within a month of the letting of a contract. Federal Aid Interstate Projects comprised 42.7 per cent of the value of contracts awarded ($9.3 million), and this amounted to a total of 36.3 miles. The mileage for all types of contracts for 1959 was 845.7 miles, while the average cost per mile of road was $25,774. Once again the most expensive single piece of construction was in Albuquerque and cost $782,828 for a distance of 0.547 miles on Interstate 40. Four contracts were let at over $1 million each, the largest of these going to Allison and Haney, Inc. for $2.3 million. This company accumulated a larger volume of awards than any other, but substantial contracts were received by the J.W. Jones Construction Company, Brown Construction Company, Jack Adams Construction Company, Inc., and Wylie Brothers Construction Company.

The New Mexico Chief Highway Engineer anticipates that during 1960 approximately $30 million will be spent on highway construction, exclusive of right-of-way and engineering costs. This amount, although considerably higher than the 1959 total, is not so great an increase when we remember that the past year saw a shortage of federal funds and only eight months of contract letting. Also, with rising costs, this amount will build relatively fewer miles of highways than in prior years. The estimated figure for maintenance expenditures during 1960 is $10.5 million, compared with a total of $9.2 million for 1959.

34. UNION WAGE SCALES IN ALBUQUERQUE
October, 1958 & 1959

	Hourly Rates	
	October 1958	October 1959
Bricklayers	$3.900	$4.000
Carpenters	3.175	3.275
Electricians	3.450	3.550
Painters	2.875	2.875
Plasterers	3.500	3.500
Plumbers	3.850	3.850
Building Laborers	2.075	2.175

Source: U.S. Bureau of Labor Statistics

Employment and Wages

In each of the first six months of the year employment in construction was higher than in the same month a year earlier. However, from July through December the figure was consistently lower; but, despite the drops, the monthly average came out at 20,900--200 more than in 1958. Although total construction activity fell in 1959, the increase in construction employment is explained by the fact that many of the projects for which permits and contracts had been awarded in the latter part of 1958 had neither been completed nor, in some cases, even started by the end of that year. Thus the first six months of 1959 brought heavy construction activity, resulting from the planned construction of the earlier period. The fall-off in employment in the last months of 1959, together with a similar trend in building material sales, indicates the completion of many of these projects.

Bricklayers, carpenters, electricians, and building laborers had wage-scale increases during the year. The union wage scales continued to be generally higher than those in Boise, Butte, El Paso, Cheyenne, Dallas, and later in Salt Lake City. However, Denver, Las Vegas (Nevada), Los Angeles, and Phoenix still have a strong lead over Albuquerque in the matter of rates. Average

weekly earnings at the end of December stood at $105.4, roughly in line with the steady decrease in construction employment and resulting from the shorter working weeks of those still employed. The drop in average earnings can be attributed to bad weather, the completion of several large projects, and, to some extent perhaps, a shortage of steel.

--M. N.

Trade

New Mexico's retailers, wholesalers, suppliers of amusement and recreational facilities, and suppliers of business and personal services apparently outdid themselves during 1959 by transacting what seems to have been a larger volume of business than ever before. At the year's end the retailers reported gross receipts (sales) of $1.4 billion to the Bureau of Revenue, 10 per cent more than during 1958. The wholesalers bettered their 1958 overall volume of business by 13 per cent, and service and amusement-recreational transactions increased by 18 and 9 per cent respectively. The gross receipts figures reported by the Bureau of Revenue reflect the sales of specific types of business and are not strictly sales of commodities. The apparel section of the accompanying table reports the receipts of apparel stores. However, these apparel stores may sell many types of goods in addition to clothing.

As regular readers of New Mexico Business are aware, the Bureau has not published monthly sales figures by counties during 1959. Such figures have been omitted from our statistical pages because of their inconsistency with previous reports caused by internal inaccuracies. However, although not entirely satisfied with the quality of the figures reported, we have checked them against other indicators of business activity and feel that with certain adjustments they may afford approximate measures of the volume of retail, wholesale, service and amusement-recreation business transacted during the year.

Those who have read the January and the March 1959 issues of New Mexico Business know our thoughts concerning the cause of the relatively poor quality of the gross receipts figures furnished us. However, we are aware that the State Bureau of Revenue, the agency preparing the gross receipts reports, has been as dissatisfied with them as we have been, and since midyear has taken a number of steps to correct certain discrepancies. The Bureau of Revenue is currently engaged in a major effort to improve the quality of the reports they compile. The reporting methods and the tabulating system used to develop these reports are being completely revamped. When completed, they should give us considerably more details on business activity in the various sales categories and in the counties than are now available. Also, the new techniques should present the material with a higher degree of accuracy than has heretofore been achieved.

Two kinds of serious weaknesses are inherent in the 1959 receipts figures as provided by the Bureau of Revenue and as presented with some adjustments in the accompanying tables. First, the reporting of monthly receipts is faulty; for example, part of the sales made during January and February 1959 were reported as March and April sales. While playing havoc with monthly indicators of business activity, such misleading reporting would not seriously affect the accuracy of yearly totals, except perhaps for a certain amount of overlapping at the beginning and the end of the year. Second, and much more serious, apparently numerous changes have been made in the allocation of sales to counties and to sales categories. Some monthly sales reports indicated no sales at all by certain types of business firms; other reports suggested that other types of firms had sales that were unrealistically high. Part of the difficulty can be explained by an examination of the "other" sales category and particularly its unallocated section. The "other" category has long reported a larger volume of sales than any other single retail group. Particularly during 1957 and 1958 larger and larger proportions of total sales were reported by this group. In the past it seems that the "other" category, particularly its unallocated section, has been a sort of catchall for certain sales that should have been reported in one of the special-purpose groups. The "other" category has apparently been a convenient one in which compilers could (1) place reports of sales of uncertain designation, or (2) dump such reports when the demands of time dictated more speed and less accuracy.

To improve this situation, a program was undertaken during 1959 to report sales activity in the proper categories. Each type of business was given a specific designation so that its receipts reports would go to a single special-purpose group rather than end up in the "other" category. This action apparently explains the relatively large increases in the volume of sales reported for various special-purpose categories, and the sales declines experienced by the "other" group. Additionally, some of the heavy increase may reflect the drive by the Bureau of Revenue for better compliance with the tax law.

35. SALES AND EMPLOYMENT IN RETAIL TRADE
New Mexico, 1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
Sales (in millions)															
All Retail Stores	1958	$101.5	102.3	102.3	102.3	107.6	104.0	111.0	117.6	99.0	101.8	94.1	127.3	1,270.8	105.9
	1959	$110.8	115.3	107.3	106.0	119.0	130.3	133.6	125.2	122.1	120.9	106.5	105.8	1,402.8	116.9
Apparel Stores	1958	$ 3.0	2.3	2.7	2.9	3.0	2.8	2.7	3.3	3.1	3.3	2.8	5.4	37.3	3.1
	1959	$ 6.6	3.2	3.5	3.0	3.5	3.7	3.4	3.7	3.2	3.9	3.5	4.5	45.7	3.8
Automotive Stores	1958	$ 25.5	27.1	28.4	26.2	27.8	28.8	30.0	28.3	27.1	24.6	25.0	36.3	335.1	27.9
	1959	$ 29.3	33.3	34.3	31.4	34.9	36.2	40.7	34.0	30.3	37.2	26.5	28.8	396.9	33.1
Subsistence Stores	1958	$ 23.0	20.6	19.9	24.6	23.6	24.7	23.4	27.6	21.8	25.6	27.2	22.6	284.6	23.7
	1959	$ 26.3	25.1	24.2	24.9	22.3	32.3	29.9	28.9	28.3	25.5	25.9	21.5	315.1	26.3
Furniture & Appliance Stores	1958	$ 3.8	3.5	3.6	3.7	3.7	3.9	4.1	4.0	4.1	4.5	3.3	6.2	48.4	4.0
	1959	$ 7.2	4.9	4.3	4.4	4.5	5.8	4.9	5.7	4.8	5.6	4.3	5.3	61.7	5.1
Building Materials Stores	1958	$ 8.4	7.8	8.5	9.2	10.5	9.8	11.5	11.1	11.0	12.0	8.8	12.1	120.7	10.1
	1959	$ 19.5	10.7	11.9	12.5	13.1	13.7	13.9	12.4	10.6	11.1	10.1	9.4	148.9	12.4
Other Retail Stores	1958	$ 37.8	41.0	39.2	35.7	39.0	34.0	39.3	43.3	31.9	31.8	27.0	44.7	444.7	37.1
	1959	$ 21.9	38.1	29.1	29.8	40.7	38.6	40.8	40.5	44.9	37.6	36.2	36.3	434.5	36.2
Employment in Retail Stores (in thousands)	1958	35.4	35.1	35.4	36.1	37.0	38.0	38.2	38.9	39.0	38.3	38.8	40.8	--	37.6
	1959	37.4	37.5	38.2	38.8	39.5	40.7	40.7	41.0	40.9	40.7	41.0	42.4	--	39.9

Sources: N. M. Bureau of Revenue and N. M. Employment Security Commission

Retailers

Overall growth of the New Mexico economy supported the higher level of sales activity in the State during the year. Increases in total employment and personal income were the backbone of the sales gain. The income growth was primarily responsible for the 8-per cent increase in New Mexico's per capita retail sales. Increased business activity in the trade-service classification was reflected by a 6-per cent increase in the number of people employed and a 9-per cent increase in wages paid to these individuals. The employment in the amusement-recreation and services section grew 8 per cent, that in retail trade expanded 6 per cent, and that in wholesale rose 1 per cent.

FURNITURE-APPLIANCES

An examination of business activity in the various sales categories will be useful only if we keep in mind the shortcomings of the reporting system. Reported sales of furniture and appliance stores in the State were 27 per cent greater during 1959 than they were during 1958, reversing a two-year decline. The upturn during 1959, if accurately reported, must have brought smiles to industry businessmen. However, though the reported 1959 sales figures of $61.7 million was $13 million above that of the previous year, it was still some $7 million short of the record volume reported during 1956. The furniture-appliance and the "other" categories were the only groups failing to reach new heights of business activity last year. Additionally, during the 1950-1959 period the furniture-appliance group increased its sales by only 52 per cent, the smallest increase among the retail groups. One county in the State (Harding) reported no sales in the category during the year, although there was some slight volume reported for 1958. Six counties (Guadalupe, Hidalgo, Rio Arriba, San Juan, Torrance, and Valencia) reported sales increases in excess of 100 per cent. The gain in Hidalgo county was 682 per cent and can be attributed more to changes in reporting methods than to changes in business conditions. New Mexico furniture and appliance dealers apparently did much better than their counterparts nationally, who scored a gain of 7 per cent in 1959 over 1958.

BUILDING MATERIALS

During 1959 the building materials retailers of New Mexico sold merchandise worth almost $150 million, 23 per cent more than during the previous year. The increase was much better than the 10-per cent gain of similar businesses nationally. The volume of group sales was the largest ever, and the year-to-year gain was also greater than any other in the decade. The substantial increase of building materials receipts corresponds to increased activity in the construction industry. Four counties (Grant, Los Alamos, Mora, and San Juan) reported smaller volumes of building materials sales during 1959 than during 1958. Four counties (Harding, Sandoval, Rio Arriba, and De Baca) increased their sales in this category by more than 50 per cent. The 250-per cent expansion recorded for Harding was most probably another reflection of reporting changes rather than of business advances.

APPAREL

New Mexico clothing stores sold $46-million worth of goods during 1959, 22 per cent more than in 1958. This was a strong recovery from the decline experienced from 1957 to 1958. The 1958-1959 rate of growth was the largest of the decade and placed 1959 sales at a point 85 per cent above that of 1950. Similar stores across the country increased their volume of business by only 6 per cent. Harding county continued to be without a reporting clothing store, while Catron county reported sales in this category for the first time in the last three years. Three counties (Guadalupe, Luna, and Quay) reported declines in the sales volume of their clothing stores, while two counties (Sandoval and Sierra) reportedly experienced sales activity that was greater by 500 per cent than such activity in 1958.

AUTOMOTIVE

The business firms selling, maintaining, and servicing automobiles in New Mexico recorded a volume of business in 1959 that was 18 per cent greater than that in 1958 and 103 per cent greater than in 1950. Similar businesses across the country increased their 1959 volume 13 per cent over that of the previous year. This group is composed of two major subgroups, automobile dealers and gasoline-and-accessory sellers, who divide all automotive business just about in half. The auto dealers, with a 1958-1959 increase of 23 per cent, apparently outdid the gasoline-accessory people, who enlarged their volume of business 14 per cent during the same period. Four counties (Los Alamos, Mora, Sandoval, and San Juan) reported smaller volumes of automotive sales during 1959 than during 1958. Bernalillo county was the only county having a group increase of more than 30 per cent; however, six other counties reported increases between 20 and 30 per cent.

The Albuquerque New Car and Truck Dealers Association reported to us that 8,507 new autos were sold in Bernalillo county during 1959, 45 per cent more than during 1958. With the exception of those in January and December, monthly auto sales in the county throughout 1959 were above such sales for corresponding months of 1958. The Bernalillo county situation acts as evidence supporting the reported statewide automotive increase. During the year 561 new cars were licensed in the county, which were not purchased from county-franchised dealers. This was a sharp decline from the 885 new autos licensed in Bernalillo during 1958 but not purchased from franchised dealers. A total of 1,472 new trucks was sold by franchised dealers in Bernalillo county during 1959, 15 per cent more than during the previous year.

The following tabulation of new autos registered in the county last year was supplied by the Albuquerque dealers' association which had compiled it from the records of the Bernalillo County License Distributor:

Ford	2,075	Cadillac	216
Chevrolet	1,698	Mercury	211
Plymouth	700	Chrysler	112
Rambler	609	Edsel	80
Buick	440	Willys	71
Oldsmobile	434	De Soto	59
Pontiac	407	Lincoln	37
Studebaker	344	Other	1,269
Dodge	306	TOTAL	9,068

SUBSISTENCE

The business firms in the subsistence group--grocery stores, eating and drinking places, and public lodgings--did 11 per cent more business during 1959 than they had during 1958. Although this annual increase was smaller than that of any of the other specific retail groups, it was the largest year-to-year subsistence gain since 1951. Between 1950 and the end of 1959 the level of business within the group increased 98 per cent. During the 1958-1959 period the national level of subsistence business rose by only 4 per cent. Two counties (Grant and Torrance) reported smaller volumes of sales by stores in the subsistence group during 1959 than they had reported during 1958, while six counties (Harding, Lea, Luna, Mora, Rio Arriba, and Union) had increases in excess of 20 per cent.

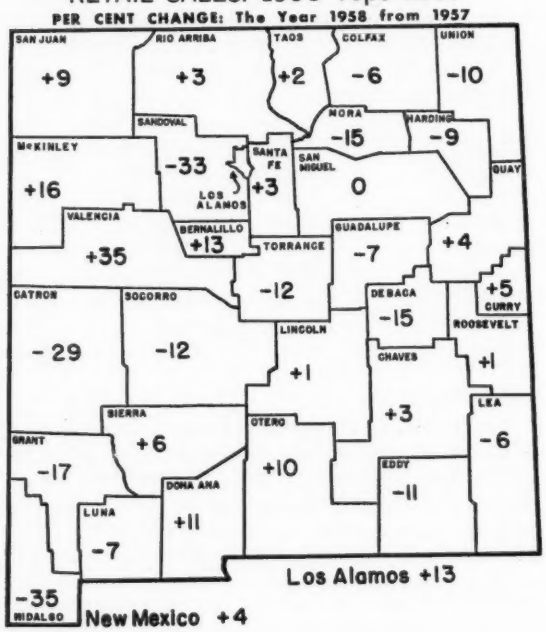
36. INDEXES OF RETAIL FOOD PRICES
Albuquerque, N. M., 1954, 1958, & 1959

	1954	1958	1959	Per Cent Change 1954 - 1959
ALL FOODS	107.3	113.4	111.2	+ 3.6
Meats, Poultry, & Fish	99.3	105.2	101.4	+ 2.1
Fruits & Vegetables	106.6	117.2	119.8	+12.4
Cereals & Bakery Products	118.0	125.2	123.4	+ 4.6
Dairy Products	110.5	116.2	116.6	+ 5.5
Other Foods	114.7	117.8	111.8	- 2.5

Source: U.N.M. Bureau of Business Research

The Retail Food Price Bulletin, published by this Bureau and reporting retail prices of food items in Albuquerque, is the only regularly available compilation of retail prices in New Mexico. The Bulletin reported that the average monthly price of all food purchased in Albuquerque fell 1.9 per cent in 1959, while prices reported during January 1960 were 2.9 per cent below those of January 1959 in contrast to the 2.0

RETAIL SALES: 1958 Tops 1957



per cent decline nationally. However, the overall price of food in Albuquerque during 1959 was still 3.6 per cent above the level of 1954, almost matching the 3.5 per cent gain for all cities priced by the Bureau of Labor Statistics. From 1958 to 1959 Albuquerque food prices declined in the meat, cereal, and "other food" categories, while they increased in the fruit and dairy groups.

THE "OTHER" GROUP

The "other" category of retail sales--business conducted in department, variety, drug, liquor, and sporting goods stores and a great variety of other special-purpose outlets--was the only group that showed a decline in 1959 from 1958. Reported sales were off 2.3 per cent. But, as mentioned earlier, apparently this decline is related more to the changes in techniques of reporting and tabulating than to basic economic changes. These technical changes brought about a decline of "other" sales in 14 counties and a 34-per cent decline in the unallocated portion of the "other" group.

The Year 1958

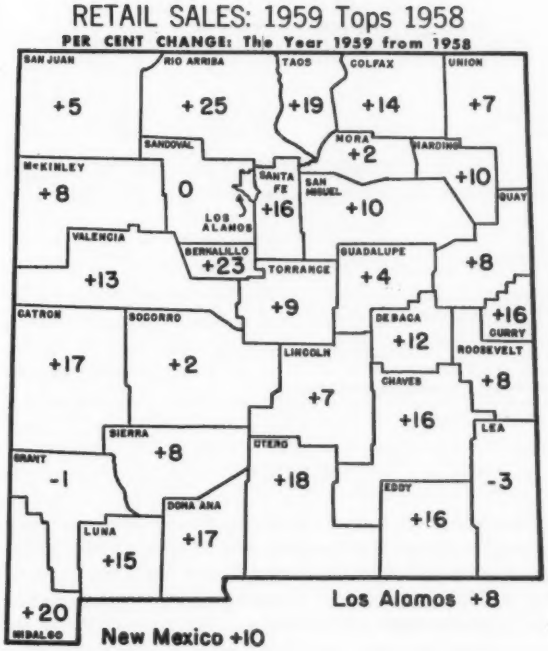
Sales Activity in New Mexico Counties

(add 000s)	Retail Stores							Others		
County	Apparel	Automotive	Subsistence	Furniture & Appliances	Building Materials	Other	Total	Amusement Places	Service Firms	Wholesale Sales
Bernalillo	$15,203	$ 95,582	$ 80,890	$19,288	$ 50,727	$107,449	$ 369,139	$ 6,161	$ 51,889	$196,010
Catron	0	633	443	20	48	502	1,646	21	35	585
Chaves	2,366	20,201	17,038	2,168	8,908	19,203	69,884	1,674	8,890	29,104
Colfax	500	5,186	4,260	251	1,369	4,576	16,142	230	1,387	3,153
Curry	1,683	11,220	8,576	1,781	3,277	11,005	37,542	684	5,426	10,347
De Baca	(a)	850	794	39	336	1,340	3,359	12	209	292
Dona Ana	1,509	16,837	13,709	2,078	5,498	12,118	51,749	874	6,407	11,814
Eddy	2,268	16,302	16,237	2,748	4,440	20,646	62,641	830	8,112	13,535
Grant	427	4,484	5,405	612	1,135	5,647	17,710	192	1,815	4,101
Guadalupe	75	3,271	2,494	26	346	1,937	8,149	16	124	1,228
Harding	0	781	76	1	21	869	1,748	23	41	162
Hidalgo	104	2,843	1,881	11	558	1,594	6,991	61	289	1,877
Lea	2,466	23,935	17,647	3,549	4,856	60,973	113,426	1,215	12,209	18,668
Lincoln	100	2,134	2,647	91	1,210	2,801	8,983	275	527	799
Los Alamos	245	2,077	3,798	82	137	2,173	8,512	267	1,131	379
Luna	351	4,614	3,559	694	914	3,103	13,235	157	1,137	4,300
McKinley	880	12,510	10,902	936	2,406	12,012	39,646	554	2,775	15,579
Mora	19	529	205	82	35	786	1,656	22	46	257
Otero	1,088	10,078	11,221	1,742	3,815	8,299	36,243	534	4,149	3,791
Quay	494	7,351	4,727	372	1,153	3,733	17,830	313	1,233	5,816
Rio Arriba	172	5,217	3,298	257	794	4,508	14,246	25	698	1,375
Roosevelt	521	4,830	4,105	1,161	2,146	3,746	16,509	254	1,917	2,877
Sandoval	8	1,163	934	20	49	1,718	3,892	2	162	298
San Juan	1,474	29,566	16,710	2,564	12,185	31,809	94,308	1,209	7,896	18,396
San Miguel	247	4,150	4,579	410	977	4,855	15,218	274	1,236	5,335
Santa Fe	2,373	15,574	15,898	2,343	4,587	15,101	55,876	921	8,334	16,462
Sierra	25	2,290	2,480	189	356	1,689	7,029	165	734	575
Socorro	116	2,977	2,367	218	539	1,966	8,183	17	532	1,493
Taos	157	2,746	3,335	624	223	2,625	9,710	125	645	1,433
Torrance	9	2,834	1,362	88	289	2,014	6,596	10	178	440
Union	213	2,119	1,496	129	547	1,801	6,405	93	541	486
Valencia	757	12,403	9,950	591	2,395	11,178	37,274	352	2,127	2,808
Unallocated	1,457	7,818	11,615	3,284	4,379	80,808	109,361	1,002	12,742	49,761
Total	$37,307	$335,105	$284,638	$48,449	$120,655	$444,684	$1,270,838	$18,564	$145,573	$423,536

(a) Less than $1,000
Source: N.M. Bureau of Revenue

COUNTY CHANGES

The accompanying map showing annual changes in county retail sales in 1959 has many more plus signs upon it than the map for the preceding year. Overall increases were reported in 29 of our 32 counties last year. Two counties (Lea and Grant) suffered declines, and one county (Sandoval) had no significant annual change. Three counties (Bernalillo, Hidalgo, and Rio Arriba) reported total 1959 sales to be more than 20 per cent greater than those during 1958.



Wholesalers

Wholesalers continued to expand sales more rapidly than retailers last year, transacting a volume of business that was 13 per cent greater than the 1958 volume and the largest volume of business ever conducted by state wholesalers. The 1959 rate of growth was the second largest of the decade. Wholesalers across the nation did not do so well as their New Mexico counterparts, showing a gain of 11 per cent.

Sales Activity in New Mexico Counties

The Year 1959

(add 000s)	Retail Stores							Others		
County	Apparel	Automotive	Subsistence	Furniture & Appliances	Building Materials	Other	Total	Amusement Places	Service Firms	Wholesale Sales
Bernalillo	$18,286	$127,208	$ 94,836	$24,264	$ 71,161	$118,009	$ 453,764	$ 5,423	$ 65,380	$210,956
Catron	16	684	495	23	71	643	1,932	22	23	1,333
Chaves	2,661	23,095	18,772	2,714	11,490	22,056	80,788	1,760	10,063	33,848
Colfax	579	6,019	4,955	359	1,449	5,102	18,463	251	1,654	3,751
Curry	2,080	11,490	9,868	2,330	4,183	13,420	43,371	648	6,541	11,504
De Baca	46	948	951	61	514	1,228	3,748	4	240	334
Dona Ana	1,664	19,800	15,787	2,613	6,899	13,794	60,557	935	7,100	13,330
Eddy	2,605	19,509	18,905	2,781	5,208	23,614	72,622	2,365	8,753	17,214
Grant	552	4,660	5,357	944	1,087	4,861	17,461	280	2,003	4,435
Guadalupe	20	3,722	2,703	101	399	1,491	8,436	13	185	1,382
Harding	--	899	95	--	73	860	1,927	13	35	275
Hidalgo	124	3,511	2,056	86	684	1,932	8,393	86	302	2,384
Lea	2,624	28,801	21,306	3,820	5,102	48,475	110,128	1,335	10,003	22,307
Lincoln	129	2,295	2,941	149	1,341	2,787	9,642	272	722	492
Los Alamos	354	1,951	4,505	134	134	2,097	9,175	320	1,293	899
Luna	323	5,449	4,282	917	1,056	3,219	15,246	186	1,316	4,301
McKinley	1,320	14,413	11,415	1,527	2,644	11,652	42,971	529	3,204	15,913
Mora	50	517	280	134	2	704	1,687	23	65	361
Otero	1,347	12,120	13,251	1,938	4,988	9,045	42,698	677	7,693	4,168
Quay	413	7,892	5,297	436	1,652	3,726	19,216	252	1,433	7,700
Rio Arriba	346	6,625	4,106	582	1,259	4,883	17,801	233	827	3,007
Roosevelt	647	5,267	4,203	1,188	2,731	3,766	17,802	284	2,065	3,405
Sandoval	113	967	951	20	90	1,770	3,911	3	157	321
San Juan	2,357	26,371	17,327	5,251	9,177	38,415	98,898	1,046	8,496	21,607
San Miguel	339	4,495	4,951	580	1,164	5,168	16,697	266	1,678	6,035
Santa Fe	3,440	18,331	17,414	2,536	5,403	17,676	64,800	717	9,662	18,370
Sierra	187	2,387	2,648	216	402	1,760	7,600	182	908	930
Socorro	123	3,151	2,440	213	542	1,860	8,329	56	600	1,588
Taos	198	3,017	3,823	1,203	272	3,035	11,548	150	1,332	946
Torrance	20	3,527	1,325	178	291	1,854	7,195	4	219	575
Union	227	2,321	1,902	116	625	1,689	6,880	110	599	566
Valencia	948	15,341	10,540	1,284	3,112	10,861	42,086	1,167	2,895	3,531
Unallocated	1,587	10,364	5,396	2,995	3,704	53,027	77,073	705	14,302	61,880
Total	$45,725	$396,956	$315,083	$61,693	$148,909	$434,479	$1,402,845	$20,317	$171,748	$479,648

Source: N. M. Bureau of Revenue

37. ACTIVITY IN WHOLESALE TRADE
New Mexico, 1958 & 1959

	SALES (add 000s)		EMPLOYMENT	
	1958	1959	1958	1959
January	$ 31,724.7	$ 21,466.1	8,300	8,500
February	29,432.7	37,362.3	8,200	8,500
March	29,881.7	38,704.5	8,300	8,500
April	35,795.8	41,604.2	8,400	8,600
May	34,330.7	44,008.7	8,400	8,500
June	36,321.5	45,995.0	8,500	8,500
July	39,827.4	45,152.7	8,500	8,700
August	39,523.3	41,275.5	8,500	8,600
September	36,528.3	45,091.8	8,600	8,400
October	37,912.4	42,326.0	8,500	8,500
November	30,385.5	40,761.7	8,600	8,400
December	41,872.1	35,898.3	8,500	8,500
TOTAL	$423,536.1	$479,646.8	--	--
Monthly Average	35,294.7	39,970.6	8,400	8,500

Sources: N. M. Bureau of Revenue and N. M. Employment Security Commission

Every county in the State has some wholesaling conducted within its boundaries. During 1959 only two counties (Lincoln and Taos) reported that they sold smaller volumes of goods at wholesale than they had the year before. Bernalillo county does about 44 per cent (the major share) of all New Mexico wholesale business. In volume of wholesale business transacted in the State, Bernalillo is followed by Chaves, Lea, and San Juan counties.

Amusements and Services

Sales of both amusement-recreation and service businesses recorded a new all-time high during 1959: service business expanded 18 per cent over that in 1958, while amusement sales rose 9 per cent. The rapid and continued increases in the volume of spending by New Mexicans for personal and business services kept this group growing faster than any other. During the decade it grew 200 per cent. The 1959 year-to-year increase in amusement-recreation activity was about average for the Fifties. Inaccurate reports are probably more responsible than are basic changes in economic conditions or in spending habits for the reported decline of amusement business in 12 counties. This same cause may also explain the reported increase of more than 100 per cent in the amusement business of four counties. The Bureau of Revenue report indicated that the inhabitants of two counties (Taos and Socorro) increased their purchases of services by more than 100 per cent in 1959, but people in four other counties (Catron, Harding, Lea, and Sandoval) spent less on services than they had during 1958.

--A. A. B.

38. EMPLOYMENT AND SALES IN SERVICES AND AMUSEMENT TRADES
New Mexico, 1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
Sales (add 000s)															
Amusements	1958	$ 1,127	1,125	1,128	1,736	2,111	1,636	1,533	1,702	2,290	1,360	1,326	1,489	18,563	1,547
	1959	$ 2,668	1,283	1,333	1,532	1,302	1,622	1,756	2,827	1,806	1,396	1,309	1,481	20,315	1,693
Business, Personal & Professional Services	1958	$11,935	12,998	15,224	11,322	12,009	12,084	10,691	11,428	11,673	12,587	10,268	13,355	145,574	12,131
	1959	$13,576	14,461	13,710	14,710	15,002	17,082	14,076	13,791	13,150	15,579	13,711	12,900	171,748	14,312
Employment in Services & Amusements	1958	29,700	29,800	29,900	30,500	31,200	32,500	32,800	33,000	32,800	32,200	32,200	32,100	--	31,600
	1959	31,900	32,100	32,500	32,800	33,400	34,900	35,500	35,700	35,800	35,400	35,200	34,700	--	34,200

Sources: N. M. Bureau of Revenue and N. M. Employment Security Commission

Finance

Banks

According to year-end reports submitted to the State Bank Examiner and the Federal Reserve Board, New Mexico's 53 commercial banks grew in size and strength in 1959. Total capital increased nearly $3.25 million, or 8 per cent over 1958. Nationwide, the increase was about 6.5 per cent. The ratio of capital to total assets continued its recent year-to-year increases, reaching 5.88 per cent as 1959 closed. Capital as a percentage of deposits increased to 6.61 per cent by the end of the year, compared with 6.34 per cent a year earlier.

Further evidences of growth abound. Total assets rose to nearly $750 million, up some $35 million or 5 per cent over 1958. The 1958 gain was $75 million, up some 11 per cent over 1957. Total deposits exceeded $668 million, up nearly $25 million in 1959, a gain of 3.5 per cent. In 1958, total deposits rose $60 million, a jump of 12 per cent over 1957. Nationally, total assets increased only 1.5 per cent during 1959 and year-end total deposits were practically unchanged from those at the beginning of 1959.

The most striking gain in New Mexico commercial banking was in time deposits, which were up 10 per cent--a rate of growth well below the 17 per cent of the previous year, but well above the 3.3-per cent national gain for 1959. Time deposits as a percentage of total deposits have increased steadily for the last four years--from 18.4 per cent in 1956 to 21.6 per cent in 1959. An indication of the relative scarcity of savings funds deposited in New Mexico banks is provided by comparing this state percentage with that of the nation, which is 30 per cent.

Demand deposits, unchanged for the entire country, rose only 3 per cent in New Mexico during 1959, a rate of increase below the 10 per cent for 1958. Demand deposits as a proportion of total deposits have remained steady for the last four years at just under 60 per cent of total deposits, a percentage equally applicable to the State and to the nation. Deposits of state and local governments declined slightly last year.

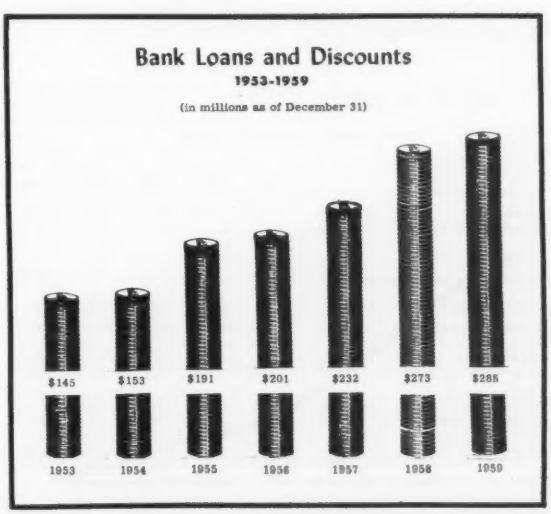
The outstanding loans and discounts of New Mexico banks on last December 31 were 4 per cent above the year-before figure, a far cry from the 17-per cent gain of 1958. Country-wide, this item, which is the major source of commercial bank earnings, increased 14.5 per cent. Loans and discounts constituted about 38 per cent of total assets of New Mexico banks in 1959, a slight decline from 1958 but above 1956 and 1957. For the United States, loans account for about 46 per cent of the assets of commercial banks.

Reports from 24 of the 27 national banks in the State show substantial increases in liquidity position, with cash balances and items increasing from about 22 per cent of total assets in 1958 to over 24 per cent in 1959.

New Mexico bank holdings of U. S. government obligations declined more than $6.5 million during 1959, dropping from more than 34 per cent of total assets at the beginning of the year to just under 32 per cent at the year's end. This decline is another reflection of the continuing sharp demand for bank credit in the State. For the entire nation, U. S. government obligations also declined as a percentage of total assets--from 27.8 per cent at the close of 1958 to 24.2 per cent at the close of 1959. "U. S. Governments" are still the second most important source of bank earnings.

For the 36 banks reporting to us monthly, bank debits, a widely used indicator of current business activity, increased about 15 per cent in 1959, a slightly larger increase than that of 1958. For the nation, the gain was only 10 per cent in 1959 and 3.5 per cent in the recession year of 1958.

A few comparisons of 1959 with 1949 reveal somewhat the rapid growth experienced by New Mexico commercial banks. The total volume of



bank debits for 1959 was nearly triple that for 1949. Loans and discounts, too, have tripled during the last 10 years. Demand deposits have risen about 80 per cent since 1949, but time deposits have expanded nearly three and a half times their level 10 years ago. The velocity of demand deposit turnover has increased more than 60 per cent during the decade, although no growth occurred in this measure in 1959--a possible indication of the delayed reaction in New Mexico to the earlier national recession.

Building and Loan Asssociations

According to preliminary reports, the State's building and loan associations continued their growth in 1959 with total assets increasing more than 10 per cent. For the preceding year the gain was 16 per cent. In the last five years total assets of New Mexico's building and loan associations have more than doubled. The totals amounted to $72 million at the end of 1954 but to more than $150 million at the end of 1959.

At the close of 1959 total assets of the state-chartered building and loan associations were $49.9 million, up $5.4 million from a year earlier. Loans by these institutions totaled $36.9 million at the end of 1958 and nearly $42 million at the end of 1959. Assets of the federal associations rose from $90 million to about $100 million, and loans went from $72.7 million to over $80 million during the same period. Total loans by both groups increased from about $110 million to over $125 million in 1959.

The growth of building and loan associations remains one of the bright spots of the State's financial development. Many of the associations have raised their dividend rates in the last year or so. Offering a higher return should improve the associations' position in the competition for savings and assure their continued growth.

Credit Unions

Last year marked the twenty-fifth year of operation of federal credit unions and the fiftieth year since the first state credit union legislation was enacted. New Mexico's credit union law was passed in 1945. During the last few years the number of credit unions in the State has remained relatively stable at about 100. At the beginning of 1959 we had 53 state and 48 federal credit unions that were active.

Current data on all credit unions in New Mexico is not available, but some indications of their previous growth may be noted. Membership in federal credit unions in New Mexico has increased rapidly; and total assets, even faster. At the beginning of 1959, assets of these unions were three times larger than those of three years earlier. State-chartered unions have had a higher rate of asset growth, more than quadrupling during the same period. Part of this greater rate of growth must be attributed to the more recent start of the state organizations.

The value of members' shares in state credit unions approached a volume five times larger than that three years ago; for federal unions, the value nearly tripled. The state-chartered unions with their more rapid growth have whittled away at the dominant position of the federal unions. However, they have a long way to go to catch up. In 1959, federal unions accounted for some three fourths of credit union activity (as measured by assets and volume of business), while three years earlier their share was about six sevenths.

Life Insurance

Sales of ordinary life insurance reached a new high in New Mexico, with sales exceeding $280 million in 1959, a gain of some $25 million (nearly 10 per cent) over 1958. The nationwide increase was only 6 per cent. New Mexico sales

39. FINANCIAL ACTIVITY IN NEW MEXICO
(Banking Data Based on Figures from 36 Reporting Banks)
1958 & 1959

		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL	Monthly Average
Bank Debits	1958	432.9	374.8	409.2	410.7	398.6	430.7	451.6	423.5	437.7	491.7	459.9	529.4	5,250.7	437.6
(millions of dollars)	1959	503.4	437.0	499.8	512.2	504.4	520.4	521.2	488.8	515.5	530.2	516.8	529.4	6,079.1	506.6
Bank Loans & Discounts	1958	42.8	37.5	40.2	42.9	40.2	42.2	44.1	41.0	43.8	46.9	45.7	53.0	520.3	43.4
Made (millions of dollars)	1959	52.1	46.0	54.1	51.1	52.2	51.5	51.2	52.4	47.4	46.1	51.6	56.5	612.2	51.0
Demand Deposits	1958	307.2	301.5	303.7	306.2	305.7	313.8	324.8	325.4	325.6	342.3	360.7	363.7	(*)	323.4
(millions of dollars)	1959	359.3	345.2	346.2	345.6	340.3	344.6	349.6	358.1	343.1	352.5	366.2	367.4	(*)	351.5
Time Deposits	1958	98.2	99.5	101.1	105.2	107.5	107.9	108.3	110.7	112.9	113.6	114.5	116.2	(*)	108.0
(millions of dollars)	1959	118.8	119.3	119.1	118.6	120.4	120.9	121.4	124.0	125.3	126.8	130.1	130.7	(*)	122.9
Life Insurance Sales	1958	17.6	19.7	18.8	22.6	21.4	20.4	23.8	20.2	20.3	21.3	21.2	27.1	254.4	21.2
(millions of dollars)	1959	19.0	19.9	22.0	24.2	23.2	26.7	24.7	20.8	22.9	23.7	22.6	31.4	281.1	23.4
Employment in Finance	1958	7,400	7,500	7,500	7,600	7,800	8,000	8,100	8,300	8,200	8,300	8,200	8,300	--	7,900
	1959	8,200	8,300	8,400	8,600	8,700	8,700	8,700	8,700	8,800	8,600	8,500	8,700	--	8,600

*Totals are not possible to estimate since monthly figures are not necessarily cumulative.
Sources: Bureau of Business Research based on reports of 36 of the 53 banks in the State, Life Insurance Agency Management Association, and N. M. Employment Security Commission

40. RESOURCES AND LOANS OF COMMERCIAL BANKS AND SAVINGS & LOAN ASSOCIATIONS

New Mexico, 1953-1959

	SAVINGS & LOAN ASSOCIATIONS				COMMERCIAL BANKS			
	Resources (000s)	Per Cent Change	Loans (000s)	Per Cent Change	Resources (000s)	Per Cent Change	Loans (000s)	Per Cent Change
1953	$ 58,160	--	$ 48,748	--	$491,470	--	$144,870	--
1954	72,465	+24.6	59,804	+22.7	519,752	+ 5.8	154,600	+ 6.7
1955	88,328	+21.9	76,383	+27.7	559,654	+ 7.7	191,152	+23.6
1956	102,618	+16.2	86,762	+13.6	609,621	+ 8.9	201,114	+ 5.2
1957	114,510	+11.6	96,248	+10.9	637,218	+ 4.5	232,865	+15.8
1958	132,769	+15.9	109,794	+14.1	714,331	+12.1	273,427	+17.4
1959	152,000*	+14.5	126,000*	+14.8	749,698	+ 5.0	284,759	+ 4.1

*Preliminary estimates

Sources: Bank data and 1953-58 data on Savings and Loan Associations--N. M. State Bank Examiner; 1959 data on Savings and Loan Associations--UNM, Bureau of Business Research

for 1959 were six times those of 1949; nationally, the volume of sales was less than four times the 1949 amount.

Small Business Loans

The Small Business Administration reported that the number of loans made to New Mexico small businesses increased from 21 in 1958 to 31 in 1959, with the amounts loaned declining from a total of $1,727,500 in 1958 to $1,381,500 last year.

Purchases of U. S. Bonds

New Mexicans purchased fewer U.S. Savings Bonds in 1959 than in 1958, but the State's performance was better than that of the nation. Sales of Series E and H bonds here reached $13.6 million last year, down about 2 per cent from 1958 and about 4 per cent below 1957. Nationwide, sales were off nearly 8 per cent. The New Mexico decline began three years ago. Further, while the State failed to meet its quota by about 6 per cent in both 1957 and 1958, the gap widened to 9 per cent last year.

However, there is one pleasant note. Although the State as a whole missed its 1959 mark, 22 counties met or exceeded their goals, an improvement over the 12 successful counties in 1958 and the 18 in 1957. Harding county again led in the percentage of goal attained, hitting 281 per cent in 1959, an advance over its 222 per cent of 1958 and its 256 per cent in 1957.

Tax Collections

The U. S. Internal Revenue Service reported that total federal tax collections in New Mexico for fiscal 1959 rose to $177.5 million, a gain of $10.7 million, 6 per cent over the $166.8 million collected in fiscal 1958. Nearly 30 per cent, some $52 million, of the fiscal 1959 collections came from individual income taxes; and $20.6 million, more than a ninth, came from corporate income taxes.

For the first five months of fiscal 1960 (July through November 1959), federal tax collections in New Mexico rose by nearly $11 million over the corresponding period of the previous year.

State income tax collections for calendar 1959 reached more than $7 million, up more than 20 per cent from 1958. Part of this large increase is attributable to the payment of back taxes, so that all of the increase does not represent net growth.

Gasoline tax collections in New Mexico for 1959 were 8 per cent larger than such collections in 1958, growing from $22.6 million net revenue to $24.5 million last year. Refunds as a percentage of gross collections remained at about 5 per cent.

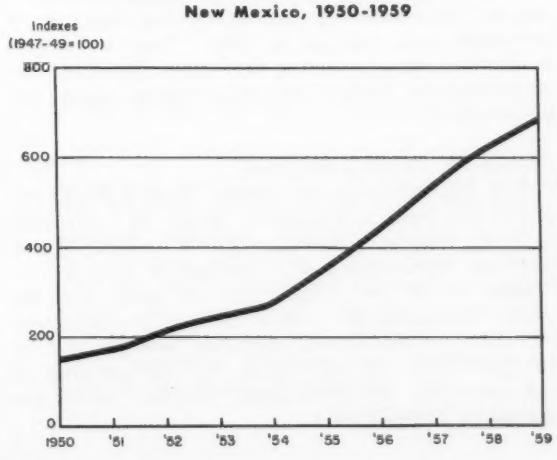
Table 42 shows the growth in state tax collections by type of tax from fiscal 1958 to fiscal 1959. New Mexico's state tax collections increased from about $45 million in 1949 to $113 million in 1959, a gain of around 150 per cent. For the entire nation, state tax collections over the same period grew about 115 per cent.

Business Failures

The number and aggregate liabilities of business mortalities are usually taken to be indicative of business and credit conditions. A marked rise in failures is usually considered a credit "caution" signal. In that relation, it is wise to take an

Indexes of Life Insurance Sales

New Mexico, 1950-1959



41. TOTAL ASSESSED VALUATION BY COUNTIES
New Mexico, 1949 & 1959
(in millions)

	1949	1959	Per Cent Change
Bernalillo	$ 55.2	$ 169.9	+207.8
Catron	3.4	4.3	+ 26.5
Chaves	22.4	55.5	+147.8
Colfax	19.7	19.6	- 0.5
Curry	16.5	32.6	+ 97.6
De Baca	6.9	7.7	+ 11.6
Dona Ana	27.9	69.1	+147.7
Eddy	53.7	107.5	+100.2
Grant	40.6	42.4	+ 4.4
Guadalupe	8.4	9.4	+ 11.9
Harding	3.4	4.1	+ 20.6
Hidalgo	8.9	12.1	+ 36.0
Lea	83.9	208.6	+148.6
Lincoln	9.1	15.8	+ 73.6
Los Alamos	--	3.3	--
Luna	13.7	24.5	+ 78.8
McKinley	12.8	39.4	+207.8
Mora	4.7	5.6	+ 19.1
Otero	8.1	29.2	+260.5
Quay	13.5	18.8	+ 39.3
Rio Arriba	5.5	24.6	+347.3
Roosevelt	13.4	18.0	+ 34.3
Sandoval	4.9	7.3	+ 49.0
San Juan	6.9	71.5	+936.2
San Miguel	15.3	19.9	+ 30.1
Santa Fe	19.4	39.5	+103.6
Sierra	7.6	10.3	+ 35.5
Socorro	7.7	13.2	+ 71.4
Taos	5.7	8.8	+ 54.4
Torrance	8.2	11.5	+ 40.2
Union	9.6	11.3	+ 17.7
Valencia	14.6	54.0	+269.9
NEW MEXICO	$531.6	$1,169.3	+120.0

Source: N. M. State Tax Commission

occasional look at the size of New Mexico business-failure liabilities as reported to the UNM Bureau of Business Research by Dun and Bradstreet.

Despite the fact that 1959 was generally a good year, though characterized by some undoubtedly weak spots in the economy and a somewhat puzzling second-half slowdown, attention should be called to the fact that during eight months of 1959 estimated business-failure liabilities in this state showed big percentage increases over figures for corresponding months in 1958. They were also somewhat higher during two other months, but were smaller than in 1958 only during August and September.

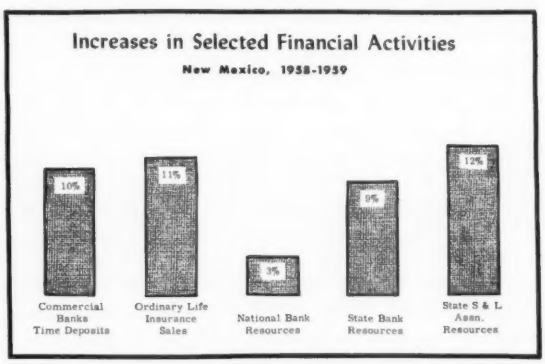
UNHAPPY PERFORMANCE

The year-to-year increases ranged from one of 524 per cent in February to one of 7 per cent in July. August was the brightest month, for no failures were reported. September saw a decrease of 23 per cent. But all other months were discouraging. April had a 248-per cent increase in liabilities, October brought one of 207 per cent, in May there was an upswing of 142 per cent, and November chalked up an increase of 105 per cent.

By contrast, sizeable decreases in business-failure liabilities occurred in nine months during 1958 in comparison with 1957. Only May, September, and December registered increases. The year 1957 had a 50-50 record in the matter of percentage ups and downs over 1956.

Property Evaluations

Net assessed valuation in New Mexico last year reached $1.17 billion, more than double the $532 million 10 years ago. The increase from 1958 was 7.5 per cent; that from 1957 was more than 12 per cent. Lea county had the largest county share, followed by Bernalillo and Eddy. Their 1959 proportions of the state total were 18, 15, and 9 per cent, respectively. Declines from 1958 valuations occurred in Catron, Grant, and Union counties. The most outstanding gain was that in McKinley county, with the total going from $24.6 million to $39.4 million, a jump of 60 per cent in one year. Most of this gain was in the value of producing mines. That value skyrocketed, going from $4 million to over $15 million.



Of the various types of property, only that of railroads declined in aggregate value last year; and this decline was a slight one of less than 1 per cent. The largest increase was for "assessor's net value," which rose more than $40

42. SOURCES OF STATE TAX COLLECTIONS
New Mexico, 1958 & 1959
(in millions)

	1958	1959	Per Cent Change
Sales and Gross Receipts	$ 70.2	$ 74.6	+ 6.3
Licenses	14.6	15.6	+ 6.8
Severance Taxes	8.9	8.9	0.0
Property Taxes	5.8	7.1	+22.4
Individual Income Taxes	5.9	6.8	+15.3
Death & Gifts	0.4	0.4	0.0
TOTAL	$105.8	$113.4	+ 7.2

Source: U.S. Bureau of Census

INDEXES OF BUSINESS ACTIVITY IN NEW MEXICO

1947-1959
(1947-49 = 100)

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Index of Business Activity	90.3	102.5	109.2	120.5	129.4	161.0	167.2	166.0	183.6	205.2	233.9	262.6	286.8
Sales of Retail Stores	91.8	102.2	106.7	117.1	127.3	137.4	144.7	142.4	167.3	189.5	207.9	215.3	237.6
Apparel Stores	85.6	110.3	104.1	103.9	115.0	117.7	127.9	126.9	134.7	147.0	159.6	156.9	192.4
Automotive Dealers	93.3	98.9	110.3	119.4	128.1	127.0	139.2	132.8	168.7	190.4	198.3	209.0	247.5
Subsistence Stores	90.9	99.9	109.2	114.8	129.5	140.9	151.9	154.1	167.0	179.6	195.3	205.7	227.7
Furniture & Appliances	90.4	105.2	104.4	132.9	138.3	117.5	126.5	131.1	191.1	225.0	166.0	158.7	202.1
Building Material Dealers	90.7	109.9	99.3	123.4	118.5	122.6	126.5	123.9	148.8	158.8	171.3	206.4	254.7
Other Retail Stores	92.7	102.9	104.4	113.6	127.5	136.6	155.5	152.5	172.7	206.3	252.6	253.2	247.4
Amusement Sales	90.4	97.2	112.4	99.5	115.7	130.9	134.8	132.4	142.8	140.8	148.1	173.6	190.0
Service Sales	92.4	101.1	107.6	116.7	129.3	159.1	190.3	193.4	215.6	246.5	287.8	313.8	370.2
Contractors' Sales	69.0	104.8	126.2	127.1	181.1	237.5	287.9	257.8	281.7	326.5	404.0	448.5	486.5
Wholesale Sales	93.5	93.7	112.8	127.6	136.8	136.0	120.2	120.6	129.8	137.2	157.1	174.7	197.9
Public Utilities' & Carriers' Sales	89.8	101.8	108.4	103.1	123.3	167.9	189.7	166.0	164.1	192.4	267.9	299.7	374.2
Life Insurance Sales	98.8	95.4	105.8	159.2	172.9	222.0	247.5	271.1	360.7	421.3	539.9	604.6	668.1
Bank Debits, 36 banks	89.5	103.2	107.3	130.7	152.0	161.5	173.4	179.5	203.5	218.5	236.7	269.3	311.8
Bank Loans & Discounts, 36 banks	102.4	100.0	97.7	111.4	129.0	127.9	142.8	149.0	174.7	188.5	211.8	253.0	298.0
Demand Deposits, 36 banks	94.1	99.9	106.2	115.1	124.9	136.5	141.6	146.3	156.2	158.0	158.8	170.8	185.6
Time Deposits, 36 banks	101.7	98.5	99.8	109.2	117.0	141.7	168.0	185.7	218.9	242.5	267.6	301.4	343.3
Business Failure Liabilities	79.4	138.6	82.0	67.0	149.6	99.5	241.6	219.1	488.0	248.4	622.3	174.5	351.0
Wage Employment	92.6	101.3	106.0	114.3	121.4	129.2	135.2	132.2	137.9	149.0	158.4	166.0	174.4
in Mining	91.4	107.5	101.1	96.3	113.9	134.0	138.8	121.1	137.2	155.6	159.6	153.2	156.4
in Contract Construction	82.3	98.9	118.7	131.4	126.7	111.6	114.8	111.6	117.2	123.5	140.9	163.8	166.2
in Manufacturing	98.6	105.1	96.4	111.6	118.1	122.4	119.1	118.1	132.2	152.7	156.0	167.9	185.8
in Transportation & Utilities	101.3	100.7	98.0	109.2	116.4	125.7	133.6	123.7	125.0	132.9	134.9	131.6	136.2
in Trade	94.5	101.0	104.5	114.8	122.1	129.0	137.9	132.8	136.9	143.4	150.7	158.6	166.9
in Finance, Ins., & Real Estate	79.3	103.4	117.2	151.7	158.6	175.9	186.2	193.1	210.3	220.7	241.4	272.4	296.6
in Services & Miscellaneous	91.0	99.7	109.3	110.3	114.4	123.6	127.7	125.0	122.7	129.1	139.7	145.2	157.1
in Government	91.8	100.2	107.9	117.1	126.9	138.4	146.5	153.9	161.2	178.4	192.8	202.9	211.3
Insured Unemployment	67.8	71.1	156.2	148.2	75.6	86.4	125.1	217.4	146.0	109.6	131.6	188.6	148.4
Building Permits, total 18 cities	67.8	103.9	123.4	192.9	135.6	162.1	192.0	199.4	231.0	206.1	238.7	366.3	357.2
Residential	68.8	98.4	131.3	203.8	122.5	187.8	166.9	198.8	228.7	182.8	223.7	391.3	356.6
Nonresidential	55.8	119.3	128.8	195.8	178.1	160.7	277.1	237.8	277.8	254.0	270.9	383.6	384.4
Other	91.7	97.6	100.5	128.6	106.8	94.0	144.5	125.8	147.9	223.9	247.3	208.6	305.7
Petroleum Production	89.9	105.4	104.7	104.1	115.8	129.9	154.6	163.7	178.6	191.7	204.0	212.5	225.6
Natural Gas Production	78.6	110.1	111.3	112.8	164.2	180.4	209.4	247.4	276.3	324.1	377.5	376.2	395.3
Electric Power Production	91.9	101.2	106.9	118.0	137.0	154.2	171.6	175.2	189.1	220.9	246.0	278.2	309.7
Metallics Production - Total	102.5	114.5	83.0	91.2	115.2	123.2	81.4	56.9	77.9	106.2	97.0	60.9	42.8
Mine Production - Copper	94.9	117.8	87.3	104.5	116.0	120.0	114.3	95.5	104.7	117.2	106.4	87.6	62.7
Mine Production - Lead	102.5	122.9	74.7	65.8	93.8	112.7	47.3	14.3	52.9	97.0	85.0	17.9	16.1
Mine Production - Zinc	115.1	108.3	76.6	74.4	118.5	133.0	34.9	0.1	39.9	91.4	85.3	23.6	12.5
Mine Production - Potash	96.9	106.4	96.7	109.3	135.9	163.8	190.0	207.3	229.0	249.7	271.4	254.4	288.9
All Farm Prices	93.4	107.5	98.9	109.1	139.7	118.4	93.5	89.7	85.8	81.7	92.8	104.9	105.8
Livestock Prices	89.7	104.5	106.5	118.9	153.6	123.3	91.0	90.1	85.9	81.1	93.7	114.0	114.4
Crop Prices	110.6	102.6	87.3	92.8	114.8	115.3	107.7	95.9	92.4	90.2	97.7	89.8	91.8
All Farm Marketings	91.1	103.0	105.8	114.2	130.2	115.2	102.7	99.5	87.9	109.4	102.2	121.8	124.3
Livestock & Products	91.4	107.6	101.0	120.1	153.0	113.8	85.1	84.3	81.8	99.3	105.2	127.5	120.1
Crops	90.7	96.3	113.1	105.4	96.1	117.4	128.9	122.2	97.0	124.5	97.6	113.3	130.7

Sources:
Retail Sales Data: N. M. Bureau of Revenue
Potash Production: N. M. Bureau of Revenue
Petroleum and Natural Gas Production: N. M. Oil Conservation Commission
Life Insurance Sales (New Ordinary): Life Insurance Agency Management Association
Wage Workers and Unemployment: N. M. Employment Security Commission and U. S. Department of Labor
Electric Power Production: Federal Power Commission
Metallics Production: U. S. Bureau of Mines
Farm Prices and Marketings: U. S. Agricultural Marketing Service
Bank Data (all series) and Building Permits: Bureau of Business Research
Business Failure Liabilities: Dun & Bradstreet, Inc.

million to total $546 million. The largest percentage gain was in the value of "contractors' equipment," which rose nearly 90 per cent from about $1.9 million to over $3.5 million.

--R. B. G.

A Note On Tables (Continued from Page 2)

which they relate, the area with which they are concerned, and how they are arranged or classified; examine carefully the title of the table, the captions (titles of individual columns), and the stubs (words or titles in the extreme left-hand columns which describe figures on individual lines). Pay particular attention to whether the figures express numbers, quantities, values, or index numbers; whether they represent single units or thousands or millions.

(Continued on next page)

2. Read the footnotes carefully. They explain deviations, special characteristics, or shortcomings of the data. They also refer to data sources, so important in considering reliability and usefulness.

3. Take the figures with a grain of salt. We never knowingly use dishonest or slanted figures. But it should be understood that figures can never be more than relatively accurate. Those resulting from complete enumerations are frequently not entirely accurate because of human error or lapse of time between the beginning and the end of counting. Figures which are estimates can never be precise because the humans who make them are not omniscient. These relatively minor inaccuracies do not destroy the validity or usefulness of data, but they do mean that you should not depend on their accuracy to the last digit or decimal place. This is the reason why estimates are usually rounded.

4. A number of figures published in this issue do not agree with those published in previous issues or in other sources. Ordinarily, this lack of agreement means that such figures have been revised on the bases of more complete, new information, which was not available at the time the data were originally published. Generally, such revisions do not greatly affect the data, and they are made primarily to bring data into better conformity with all known facts.

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